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Link – Alternative Energy

Investments in alternative energy will trade off with investments in oil.

Blakeway 8 (Darrell, RedOrbit, " Energy Autonomy: Getting Serious About Renewable Energy." May, http://www.redorbit.com/news/business/1390122/energy\_autonomy\_getting\_serious\_about\_renewable\_energy/ AD 7/5/11) AV

This possibility of renewable energy being developed autonomously is very important, Scheer believes, because there is a natural competition between conventional energy and renewable energy; and conventional energy businesses enjoy tremendous political and economic influence. Individual CEOs of conventional energy companies may be personally very sympathetic to the need for renewable energy, and companies such as BP and Shell may invest in renewable energy subsidiaries as a kind of 'hedge' against the day when fossil fuels will no longer be available at affordable prices. But the boards of directors and executives of conventional energy companies must act to protect the interests of their shareholders. And their shareholders' interest is protected by making sure that the investments made in conventional energy facilities are recovered through depreciation expense, and a return on their investment, over the forty or fifty year useful life of such facilities. In Scheer's view, there will never be a time when the investments in conventional energy facilities are fully depreciated and recovered by investors. If renewable energy facilities are developed as rapidly as Scheer believes is necessary, shareholders of the supplanted conventional energy facilities will inevitably bear the cost of their stranded investments. Scheer argues that this realization motivates conventional energy companies to delay the development of renewable energy as long as possible, or promote its development very slowly over a long period of time. Scheer says that renewable energy advocates must recognize that for their efforts to succeed, investments in conventional energy must be severely curtailed.

Alternative energy investments will directly trade off with investments in the oil industry.

Blakeway 8 (Darrell, RedOrbit, " Energy Autonomy: Getting Serious About Renewable Energy." May, http://www.redorbit.com/news/business/1390122/energy\_autonomy\_getting\_serious\_about\_renewable\_energy/ AD 7/6/11) AV

Scheer says that the breakthrough to a renewable energy future cannot happen until enough people break out of the 'prison' of One- dimensional' thinking about conventional energy. What is required, he believes, is a new structure of energy usage, which can only come into being alongside the current structure-and which replaces the latter, step by step, until it finally makes the old system superfluous. Scheer believes that conventional energy will not ultimately finance a new regime that puts it out of business. Only when investment decisions for renewable energy are made independently of the conventional energy business will there be serious economic competition from renewable energy that can facilitate disengagement from the existing energy institutions.

Link – Alternative Energy

Alternative energy makes oil obsolete

Strand 7 (Jon, Senior Economist in the Development Research Group, Environment and Energy Team, in the World Bank, " Technology treaties and fossil-fuels extraction ." October, http://goliath.ecnext.com/coms2/gi\_0199-7309937/Technology-treaties-and-fossil-fuels.html AD 7/5/11) AV

Assume that a treaty will lead to increased international funding of technology developments, which in turn implies a likelihood that a new energy technology will be developed. Assume that the alternative technology, once developed, implies a constant marginal energy cost, lower than the (assumed constant) cost of extracting fossil fuels. (3) Fossil fuels will then become redundant once the new technology is adopted, and no more fossil fuels will be extracted from then on. (4) We assume that the time it takes to develop such a technology is stochastic, modeled in a very simple way, as exponentially distributed with constant parameter [lambda](with expected period until development equal to 1/[lambda]). One so far overlooked implication of such a scenario is that the prospect of developing a new and more efficient energy technology will affect incentives of fossil-fuel producers to extract and market the resource, in both the short and the longer run. In the model, dealt with in Sections 2-3 below, we assume that the fossil-fuel market is competitive on a global scale, there is no market uncertainty, and there is initially a zero probability of developing an alternative technology replacing fossil fuels. The initial resource price (prior to any technology treaty) can then be shown to evolve according to the so-called Hotelling rule, whereby the growth rate for the real resource price (net of extraction cost) equals the real rate of interest, r, in the economy. (5) In Section 2 below we first show that, when the technology treaty is in place, the equilibrium price and extraction path for the resource will both shift as a result. Along the new price path, the net resource price will grow at the higher rate r+[lambda]. The entire resource price path shifts down, resulting in a higher volume of extraction at any given date until the resource is fully extracted, or until the new technology is developed. Intuitively, when fossil-fuel producers are made aware of an increased likelihood that their resource may become redundant within a limited future time period, the incentive will be to extract it more quickly. For a given demand function directed toward fossil fuels, with global fossil-fuel demand a decreasing function of the price, this must mean a lower market price of fuel

Development of alternative energy causes prices to drop

DeCiantis 8 (Devin, Masters candidate in Public Policy at Harvard’s JFK School of Government, specializing in development economics and international trade, March, http://www.freedom24.org/rationalpost/2008/03/25/speculations-on-a-25-oil-tariff/ AD 7/5/11) AV

In the mid-term, as industries and generators begin to shift away from higher-cost imported oil, domestic oil producers might begin building out untapped Arctic capacity and utilities might begin diversifying their energy portfolios into lower-cost fossil fuels and alternative energy technologies. Together, these processes should cause a more substantial decline in import volumes. In the long-run, a more fundamental shift away from a high-carbon, high-cost, oil-dependent economy is likely to unfold, at which point oil imports would begin to decline more precipitously as demand for energy is almost completely replaced with lower-cost substitutes. This progression is an example of a typical “adjustment lag”. b. The world price of oil? Again, in the very short-term we might expect a modest decline, partially offsetting the cost of the tariff. Given that America is one of the world’s largest energy importers (importing roughly 2/3rds of its annual consumption), it would still need to source oil externally or risk seizing up its industrial capacity. Thus, aggregate import demand would remain relatively stable and prices would likely settle somewhere between $75 and $100. Over the mid-to-long-term, major OPEC suppliers would have room to lower prices given their lower relative cost of production, while growing demand from China and India would partially offset declining American demand. Finally, as the U.S. begins to substitute away from oil as a key energy input in the long-run, global aggregate demand for oil will inevitably decrease, assuming that emerging market demand doesn’t continue to grow at its current pace in perpetuity. This will put considerable downward pressure on prices over time as oil exporters adjust to a situation of extended excess supply-at least while total global oil reserves remain relatively plentiful.

Link – Alternative Energy

There will be blood - Alternative energy would cause a collapse in oil prices - destroys stability across the globe.

Reno 96 (Robert, writer for Newsday, " Fixing' the System That Is to Care For An Aging Nation." April 7th, AD 7/4/11) AV

IF SCIENTISTS discovered tomorrow that a clean and safe source of infinitely renewable energy could be cheaply derived from, say, ordinary sea water, we all know it would be an unmitigated boon for mankind. Well, not exactly. Because any such invention would necessarily cause a collapse of oil prices, and Texas, Louisiana and Oklahoma would become basket states. In Mexico, where petroleum is the chief national patrimony, the floor under a fragile economy, would disintegrate. The Middle East would become a destabilized mess as oil-rich regimes lost the resources through which they now control their populations. Russia and the many former constituent republics of the Soviet Union would lose export earnings critically important to the survival of their democracies. Billions invested in the extraction of North Sea oil would lose its value. Ripple effects running through the financial system as a result of the downsizing and bankruptcy of much of the existing oil industry are simply too terrifying to contemplate.

Even a small transition to renewable energy would plunge oil prices

Carey 3 (John, Business Week, "Taming the Oil Beast."February, AD 7/5/11) AV

Yet reducing oil use has to be done judiciously. A drastic or abrupt drop in demand could even be counterproductive. Why? Because even a very small change in capacity or demand “can bring big swings in price” explains Rajeev Dhawan, direction of the Economic Forecasting Center at Georgia State University’s Robison College of Business. For instance, the slowdown in Asia in the mid-1990s reduced demand only by about 1.5 million bbl. A day but it cause oil price to plunge to near $10 a barrel. So today, if the U.S. succeeded in abruptly curbing demand for oil prices would plummet. Higher cost producers such as Russia and the US would either have to soil oil at a big loss or stand on the sidelines. The effect would be to concentrate power you guessed it in the hands of Middle Eastern nations, the lowest-cost producers and holders of two thirds of the known oil reserves. That’s why flawed energy policies, such as trying to override market forces by rushing to expand supplies or mandating big fuel efficiency gains, could do harm.

Link - SPS

SPS transitions the international community from oil

O’Neill 8 (Ian, PhD U Wales and founder of Astroengine, June, <http://www.universetoday.com/14646/harvesting-solar-power-from-space/>, AD 7/5/11, AV)

It sounds like the perfect plan: build a vast array of solar panels in space. This avoids many of the practical problems we have when building them on Earth such as land availability, poor light conditions and night time, but sending a sunlight farm into space will be expensive to set up. In the 1970′s a plan was drawn up by NASA for the possibility of orbital sunlight “harvesting”, but it was deemed too expensive with a hefty price tag of at least $1 trillion. There was no country in the world that could commit to such a plan. But as we slowly approach an era of cheaper space travel, this cost has been slashed, and the orbital solar energy case file has been re-opened. Surprisingly, it isn’t the most developed nations in the world that are pushing for this ultimate renewable energy source. India and China, with their ballooning populations are reaching a critical point for energy consumption and they are beginning to realise their energy crisis may be answered by pushing into space. So how could this plan work? Construction will clearly be the biggest expense, but the nation who leads the way in solar power satellites will bolster their economy for decades through energy trading. The energy collected by highly efficient solar panels could be beamed down to Earth (although it is not clear from the source what technology will go into “beaming” energy to Earth) where it is fed into the national grid of the country maintaining the system. Ground based receivers would distribute gigawatts of energy from the uninterrupted orbital supply. This will have obvious implications for the future high demand for electricity in the huge nations in Asia and will wean the international community off carbon-rich non-renewable resources such as oil and coal. There is also the benefit of the flexible nature of this system being able to supply emergency energy to disaster (and war-) zones.

SPS will replace oil

Nansen 96 (Ralph H., Solar Space Industries, "Wireless Power Transmission: The Key To Solar Power Satellites" January,

<http://electricalandelectronics.org/wp-content/uploads/2008/10/00484148_2.pdf>, AD 7/5/11) AV

T h e solution to the problems will require a new energy source to replace oil and coal and become the primary energy source for the future. I t cannot b e a solution only for America, but must be able to solve global problems also. T o accomplish this the next energy source must satisfy some very basic criteria. First, it must be nondepletable, so it will not have to be relplaced by the next generation. Second, it must be low cost, or it will not b e developed to produce large quantities of energy. Third, it must be environmentally clean, so the Earth is no1 destroyed a s we develop. Fourth, it must become available to everyone on Earth if war is to be avoided. Fifth, i t must be in a useful form so i t can support the developing societies a s they emerge as well as the developed nations. These f ive criteria are simple but challenging to satisfy: Nondepletable Low cost Environmentally clean Available to everyone In a usable form T h e solution to the problems described above can be accomplished by the development of Solar Power Satellites. The Solar Power Satellite system is the only energy source with known technology that can meet the criteria for a viable major new energy source and move the world into the fourth era of energy. There are two primary paths that can be followed to develop Solar Power Satellites. One is a government program and the other is commercial development with some government support. In 1980 the only conceivable option wa s a massive government sponsored and funded program. Thi s was one of the primary reasons the program was stopped. Today that is no longer the case. Advances in the enabling techriologies along with significant infrastructure development now make possible commercial development of the program with some government support.

Link - SPS

SBSP will reduce dependence on oil.

Choudhary 7 (Roy, Freelance writer that went to University of Calcutta , " Space-Based Solar Power can reduce oil dependence and carbon footprints." October, http://www.ecofriend.com/entry/space-based-solar-power-can-reduce-oil-dependence-and-carbon-footprint-says-report/. AD 7/5/11) AV

Post-9/11 oil prices have jumped from $15/barrel to now $80/barrel in less than a decade. According to a report commissioned by the Pentagon Space-Based Solar Power (SBSP) can help to slow down climate change and also reduce our dependence on fossil fuels. This SBSP was first invented in the United States almost 40 years ago. Essentially the central idea of SBSP is very simple (place very large solar arrays into continuously and intensely sunlit Earth orbit (1,366 watts/m2), collect gigawatts of electrical energy, electromagnetically beam it to Earth, and receive it on the surface for use either as baseload power via direct connection to the existing electrical grid, conversion into manufactured synthetic hydrocarbon fuels, or as low-intensity broadcast power beamed directly to consumers). Do you know a single kilometer-wide band of geosynchronous earth orbit experiences enough solar flux in one year to almost equal the amount of energy present within all known recoverable conventional oil reserves on Earth today? Amazing isn’t it? This amount of energy from SBSP means that there is a huge potential for reducing global warming for those nations who construct and possess a SBSP capability. But, unfortunately it is not as simple as it looks. Why? This is because it is extremely expensive to get the solar power unit into space (it is anywhere between $500,000 and $1 billion). Hopefully, with time these SBSP units will become more economically viable, and thus help in reducing our dependence on fossil fuels.

Link - HE-3

Helium-3 ends the oil trade with the Middle East - the Moon becomes the new Persian Gulf.

Souza et. al 6 (Marsha, Professor, Worcester Polytechnic Institute, "Harvesting Helium-3 From the Moon." February. http://www.wpi.edu/Pubs/E-project/Available/E-project-031306-122626/unrestricted/IQP.pdf, AD 7/6/11) AV

The United States leads the research in He-3. In 2004, President Bush released his new vision of space exploration. He wants to complete the International Space Station by the year 2010. The completion of this project will greatly increase the working research on the lunar mining of He-3 as the astronauts can experiment on different techniques to extract He-3 from the Moon’s regolith. The International Space stations could be used a trade center for the distribution of He-3 for world wide distribution. Another goal of the current White House administration is that NASA returns to the Moon by 2015 and to have a permanent living settlement for astronauts by 2020. President Bush has allocated 12 million dollars to the Moon Development Initiative. This initiative would help tremendously in the progress in the He-3 research if a permanent colony is established on the Moon (Hurtack, 2004). The developed world would no longer have to depend on the Middle East , where the most of the world’s fossil fuel reserves are located, for its energy supply. American scientists have already declared that the Moon could be the Persian Gulf of the present century. Two liters of He-3 would do the work of more than 1,000 tons of coal (Chowdhuri, 2004).

He-3 would become the primary energy source for the United States - this plummets oil prices.

Souza et. al 6 (Marsha, Professor, Worcester Polytechnic Institute, "Harvesting Helium-3 From the Moon." February. http://www.wpi.edu/Pubs/E-project/Available/E-project-031306-122626/unrestricted/IQP.pdf, AD 7/6/11) AV

A more likely scenario from a technical standpoint, however, is to bring He-3 from the Moon to Earth to be reacted in the plasma reactors. This would allow use of the existing gridlines for delivering electricity and would eliminate the production of H2 as an intermediate agent. This scenario presupposes that the He-3-Deuterium reactor is fully developed, which even according to experts in the field (see interview with Dr. Kulcinski) is a long term venture. Because the reactor is most highly developed in the United States, it would seem this country has an initial advantage. If we suppose that He- 3 would become the primary energy source to power the United States and that it would become so before the end of the fuel era, this would imply that the fossil fuel prices would plummet since the primary consumer would be out of the game. This would allow developing nations to purchase larger amounts of oil which could lead to their faster development. Under this scenario India and China would again be the dominating economies within the developing countries, since they have the resources to purchase the largest amounts in a fuel market governed entirely by demand and supply dynamics. These nations also have the greatest projected need for fuel. On the other hand, if China and India develop their own He-3-Deuterium reactors, they would enter in direct competition with the US for He-3. In what manner this competition will be carried out depends largely on how closely these countries abide to international treaties and on how much they are willing to cooperate with one another.

I/L - Oil Key to MENA Econ

The oil market is empirically integral to Middle Eastern economies - huge export earnings and job opportunities.

Hillsdale Group 11 (Hillsdale Group, inc., "Middle East." http://www.hillsdalegroup.com/business/middleeast.html, AD 7/5/11) AV

The Middle East has experienced both growth and decline cycle over the past thirty years. From 1965 to 1985 the Middle East experienced a tremendous economic expansion. This growth was facilitated by the dramatic rise in oil prices, which were related to the 1973 Arab-Israeli War and the 1979 Iranian Revolution. Due to oil price rise, most Middle Eastern States benefited. Impact was directly felt in the oil-producing states (especially large producers such as Saudi Arabia, Iran, Iraq, Kuwait, the United Arab Emirates, and Qatar) and benefited directly in the form of high export earnings. Likewise, these states had many job opportunities available as a result of the booming economies of the Gulf. The non oil-producing Middle Eastern states also reaped some benefits from the oil-producing states. The economic growth of the 1970s and early 1980s came to a decline in 1986 when the price of oil fell dramatically from $28 per barrel in December 1985 to $10 per barrel in July 1986. The drop in price was a result of the overproduction of oil. Suddenly, the huge foreign export earnings that had driven the growth of the last two decades were drastically reduced. However, the Middle East economy has once again taken off to a new height in the recent years. Oil consumption in both China and India have gone up significantly. As the demand for oil grew, oil price went up trading it for as high as US $145 per barrel. Heavy investment in infrastructure in the Middle East can be witnessed. The outlook for the many middle eastern states is sharply different today from 30 years ago.

Oil is the primary driver for the Middle East economy.

Zuberi 8 (Brian, Ph.D. and Co-founder of GEO2 Technologies, Inc., "Masdar City: Not a showcase, but an ‘Entrepreneurial Eco-system’." April, https://bznotes.wordpress.com/2008/04/10/masdar-city-not-a-showcase-but-an-%E2%80%98entrepreneurial-eco-system%E2%80%99/, AD 7/5/11) AV

The world today runs on fossil fuel. Our food, water, transportation, and quality of life are all dependent on fuel that is primarily concentrated in a few geographic regions. Middle East has been endowed with vast reserves of oil and gas which have been the primary source of the economy of the region for the past few decades. It is estimated that in 2007 the world consumed greater than 446 quadrillion BTUs of energy (EIA estimates), more than 85% of which came from fossil fuels. This natural resource has brought a boom to Middle East economies. With oil prices above $100 per barrel, Abu Dhabi for example collects oil revenue greater than $200 million a day, giving it the 2nd highest GDP in the region (after Qatar).

The MENA economy is dependent on its oil exports - 2009 recession proves.

Hasan et. al. 10 (Faisal, CFA Head of Research, "MENA Economic Report." January, http://www.amaaonline.com/files/MENA%20Economic%20Report.pdf, AD 7/5/11) AV

MENA feeling the impact of worldwide economic contraction Though at different levels, the world economic crisis has negatively affected economies around the globe. Some countries showed resilience to the problem, while others fell into deep recessions. As the year 2008 carried robust growth, coupled with unprecedented strength in demand, resulting in price surges that put inflationary pressure on most of the world economies, the year ended with severe dips in financial markets triggered by the American subprime crisis. In 2009, the world economy was confirmed to enter into the deepest recession since the Second World War. Declining growth, if at all, credit constrains, diminishing demand and job losses are the most apparent problems associated with the world recession in 2009. The Middle East and North Africa (MENA) region is feeling the impact of the world recession as well. The year 2009 came with unfavorable circumstances for this region, which was once at odds from the international economy. Again, the effect of the crisis differed from a country to another, depending on its economic conditions. Economies that are oil based were strongly hit in their current accounts, as their trade balances depended on oil exports. The main problem is with the oil prices peaking over US$140 per barrel, many of these economies built their future budgetary spending in the coming years assuming the sustainability of such elevated worth per barrel. These countries had to rearrange their expansionary budgets to match with plummeting energy prices. Other countries, where services receipts are the main sources of national income, have been hardly hit by the current stagnation of the world economy and are awaiting for any signs of recovery. However, few countries showed real resilience to the recession and have managed to optimize the current situation to get least affected by the world turmoil.

I/L - Oil Key to MENA Econ

The MENA economies are dependent on its oil exports - recent recessions prove

Raphaeli 10 (Dr. Nimrod, Senior Analyst and editor of MEMRI's Economic Blog, " Regional Focus: Middle East And North Africa Exports." October, http://memrieconomicblog.org/bin/content.cgi?article=379, AD 7/5/11) AV

The Middle East and North Africa (MENA) region is heavily dependent on exports (particularly energy) for overall growth, and suffered severely from the global economic crisis of 2008-2009. In 2010 export markets rebounded strongly thanks to higher oil prices and increased demand for exports from Asian Pacific economies. This upturn in the export market will help push overall growth of economies in the MENA region in 2010-2011. Key Points • The global economic crisis of 2008-2009 severely affected the export market in MENA with total exports falling by 30.5% (in US$ terms) in 2009 to US$1.1 trillion. • Exports play an important role in economies within the MENA region and averaged 45.5% of GDP between 2004 and 2008. However, it fell to 38.6% of GDP in 2009 owing to the decline in global demand for exports and lower crude oil prices. • MENA has an estimated 60.0% of global oil reserves and over 40.0% of world's natural gas reserves. As a result, exports of mineral fuels account for the largest share in total exports in the region and averaged over 70.0% of total exports between 2004 and 2008 before dropping to 53.6% of total exports in 2009 owing to reduced global demand for oil and natural gas. • In the first half of 2010 exports from MENA rebounded by 35.0% year-on-year owing to the increase in crude oil prices and growing demand for commodities from Asia. Together this will result in a strong recovery of the export sector, aiding overall growth in the region. • The growing importance of Asia Pacific as a destination for the Middle East's exports has been a major factor in easing the pain of a decline in exports to the U.S. and Europe during the global economic crisis of 2008-2009 and will help the rebound in exports in 2010.

Falling demand for oil crushes export revenues - 2009 recession proves.

Raphaeli 10 (Dr. Nimrod, Senior Analyst and editor of MEMRI's Economic Blog, " Regional Focus: Middle East And North Africa Exports." October, http://memrieconomicblog.org/bin/content.cgi?article=379, AD 7/5/11) AV

Energy Export-Dependent Region The export market is one of the main sources of revenues for economies in MENA with energy playing a major role: • Exports have shown robust growth at an average rate of 25.7% between 2004 and 2008. However, with the global economic crisis of 2008-2009, export growth declined by 30.7% in 2009 owing to falling demand for oil and gas. Within MENA, Algeria and Kuwait witnessed the highest annual decrease in 2009 while most other countries recorded a double-digit decline. Export growth in these two countries fell by 44.8% and 42.5% respectively. • In terms of export dependence, in 2009, the UAE and Oman had the highest exports to GDP ratios of 78.6% and 60.8% respectively. Countries like Bahrain, Libya, Iraq, and Saudi Arabia also had high exports to GDP ratio (above 50.0%). On the other hand, economies like those of Egypt and Morocco are less dependent on exports for overall growth, and exports accounted for 12.3% and 15.1% of total GDP in 2009 respectively. Although Egypt relies heavily on its mineral fuels exports, the economy is diversified and generates sizeable revenues from tourism. • Within MENA, Saudi Arabia had the world's largest proven oil reserves at the end of 2009, and accounts for the largest share of MENA exports at 23.1% in 2009 totaling $189 billion. • In terms of export base, MENA depends heavily on revenues from oil exports. Exports of mineral fuels accounted for 53.6% of total exports in 2009. During the year, exports of mineral fuels within the region declined by 47.9% over a year ago owing to the 36.3% annual drop in crude oil prices in 2009. This resulted in significantly lower export revenues from oil-exporting countries in the MENA region. Within the region, Iran has the highest share of mineral fuels exports to total exports at 86.2%. • The trade balance in the MENA region is split between the Gulf countries with a high trade surplus and the nonoil exporting countries like Morocco which has a trade deficit. Overall the MENA region had a trade surplus but it was affected by the downturn in 2008-2009 and the trade surplus dropped by 57.4% in 2009 to $186 billion.

I/L - Oil Key to MENA Econ

Reduced oil demand massively decreases MENA revenue.

Cobham and Dibeh 11 (David, prof at Heriot-Watt University, and Ghassan, prof at Lebanese American University, " WorkShop 08: The World Financial and Economic Crisis and its impact on the Middle East and North Africa." April, http://www.eui.eu/DepartmentsAndCentres/RobertSchumanCentre/Research/InternationalTransnationalRelations/MediterraneanProgramme/MRM/MRM2011/ws10.aspx, AD 7/5/11) AV

The MENA is a diverse region that that according to the World Bank classification includes the following countries: Egypt, Jordan, Morocco, Tunisia, Lebanon, Djibouti, West Bank and Gaza, Algeria, Iran, Iraq, Syria, and Yemen, Saudi Arabia, United Arab Emirates, Kuwait, Libya, Qatar, Oman, and Bahrain. The region’s countries can be classified into three groups: resource rich and labor scarce, resource and labor abundant and resource poor but labor abundant (Almonsour, 2008). These countries also differ in their GDP per capita, ranging from very high income countries like the largely small GCC states to low income major countries like Syria and Egypt. MENA countries may therefore respond to the world crisis in different ways. Some MENA economies can be sub-classified into oil dependent economies, foreign and migrant capital flows dependent economies, economies with a significant export sector and countries that are financial centres and experienced real estate booms. First, the importance of oil in the economic development of MENA countries gives special importance for the consideration of the effect of world demand for oil on economic fluctuations in the MENA region. The current crisis has had a significant effect on oil prices. The price of oil fell from its peak price in July 2008 to much lower levels, causing a significant drop in public revenues. Of special importance, oil-driven booms and busts are not symmetric in their effect on the economy with boom effects being transitory while bust effects are persistent and have more long-run negative effects on the economy (Humphreys et al., 2007).

Middle Eastern economies are heavily dependent on oil export earnings - alternative energy development plunges demand for oil.

Auerswald 7 (Philip E. Auerswald, Director of the Center for Science and Technology Policy and an Assistant Professor at the School of Public Policy at George Mason University, " The Irrelevance of the Middle East." May-June, http://www.the-american-interest.com/article.cfm?piece=269, AD 7/5/11) AV

Petro-alarmism focused on the Middle East ignores the adverse impact on oil-producing countries of withholding output. The near-apocalyptic scenarios frequently offered up require oil producers to behave in ways that would be at least as damaging to their own interests as to those of oil-consuming countries. 2 In reality, the economies of the oil-producing countries of the Middle East are even more dependent on oil revenues than the economies of consuming countries are on the crude they import. (Saudi oil export revenues account for 90–95 percent of the Kingdom’s export earnings, 70–80 percent of its state revenues and roughly 40 percent of the country’s GDP.) As a result, producers have at least as much reason to be concerned about sustained high oil prices as do oil consumers. Regardless of the strident, politically motivated pronouncements selected leaders from the late Saddam Hussein to Ayatollah Ali Khomenei may make about their “oil weapon”, it does them (and their local political patrons) little good to sell at very high prices today if the effect is to provide their globally distributed customers with an incentive to develop substitutes for their product tomorrow. Producers who wish to maximize long-term revenue will seek stable oil prices at the highest level that does not induce substantial investment in substitutes. They will want particularly to dissuade research investments by customers with an advanced ability to develop alternatives—a category that includes the United States. For the past twenty years, oil producers have had good reason to celebrate success in this regard. That leading oil producers care at least as much about future profits as they do about present ones is borne out by both word and deed. Adel al-Jubeir, a former foreign policy adviser to then-Saudi Crown Prince Abdullah and now Saudi Arabia’s Ambassador to the United States, offered this candid summary for the May 27, 2004, Wall Street Journal, when the strategic leverage of oil producers was arguably at its height: “We’ve got almost 30 percent of the world’s oil. For us, the objective is to assure that oil remains an economically competitive source of energy. Oil prices that are too high reduce demand growth for oil and encourage the development of alternative energy sources.” The Saudi response to the recent surge in oil prices provides credence to this claim: The U.S. Energy Information Agency estimates that from 2002 to the first half of 2005 Saudi Arabia’s total oil production increased dramatically from 8.5 to 11.1 million barrels per day. Explaining why the Saudis chose to “help” the United States and other oil-importers by boosting production does not require resorting to conspiracy theories. It requires only understanding Saudi self-interest.

I/L - Oil Key to MENA Econ

A shift away from oil will devastate MENA economies

Ford 8 (Neil ,Columnist for CBS Bnet, "Moving the Goalposts: Although Publicly Urging a Return to More Historically Usual Pricing Levels, in the Light of Recent Events OPEC Members May Have to Reassess What Now Constitutes a "Realistic" Oil Pricing Policy." http://findarticles.com/p/articles/mi\_m2742/is\_353/ai\_n25104853/, AD 7/6/11) AV

Recent prices fluctuations of between $40 and $50 a barrel have undoubtedly boosted the coffers of all OPEC member states, helping them to balance their budgets or put money to one side for a rainy day. Yet most members have been keen, at least in public, to see prices return to more historically usual levels. The main fear among the cartel's doves has been that sustained high oil prices will increase enthusiasm for research into the commercial development of alternative energy sources, such as hydrogen cell technology, that could make crude oil uneconomic in the very long term. The impact upon the economies of OPEC member states would obviously be devastating if oil was ever superseded as the world's primary transport fuel. As a result, Saudi Arabia and some other members of OPEC have sought to keep prices at a level that generates large profits but which is regarded as reasonable by the industrialised world. On the other hand, other members, such as Iran and Venezuela, have tried to restrain production in order to restrict total world production and thereby boost prices. Now, however, Kuwait, Libya and Qatar, which have traditionally backed the Saudi line, appear convinced that quotas need to be cut in order to maintain prices.

High oil prices means a high economic growth rate

RWI 11 (Revenue Watch Institute, promotes the transparent and accountable management of oil, gas and mineral resources for the public good, "MENA: Oil, Revolution and a Path to Stability." April, http://www.revenuewatch.org/news/publications/fact-sheet-oil-revolution-and-path-stability, AD 7/6/11) AV

Volatility significantly hinders economic and social progress, and creates unstable foundations for nations' economies: When oil prices rapidly climb or fall, oil-dependent economies encounter large swings in their revenues and budgets, making long-term planning more difficult. When prices fall, as happened in 2008 when prices dropped from $140 to $40 per barrel in less than six months, governments have to make cuts in their social and investment programs—unless they have saved part of the revenue windfall when prices were high and also followed prudent public expenditure policies that evened-out spending over time. When government spending is uneven, economic growth is also uneven and leads to higher unemployment. Many states in the region were less industrialized in 2010 than in 1970. According to UNCTAD, the size of the manufacturing sector relative to total GDP declined to five percent from nine percent in Algeria between 1974 and 2006, to 15 percent from 18 percent in Egypt, to 15 percent from 20 percent in Syria, and stagnated at two percent in Libya. Even in countries where the manufacturing sector grew, such as Tunisia and Jordan, products remain relatively unsophisticated compared to other regions. In 2008, non-oil exports accounted for only 16 percent of the region's GDP, compared to 44 percent in East Asia.

Oil is the primary driver behind the Middle East economy - lower demand will crush performance.

Hasan et. al. 10 (Faisal, CFA Head of Research, "MENA Economic Report." January, http://www.amaaonline.com/files/MENA%20Economic%20Report.pdf, AD 7/5/11) AV

The extractions and manufacturing sector, which include the oil sector, is the main contributor to the Syrian economy. The agriculture sector, which used to be the highest contributor to GDP, comes second. They both account for more than 50% of the Syrian economy. The oil sector represents an important source of revenue to the Syrian government. However, Syria’s declining oil production led to a deceleration in the contribution of oilrelated revenues to the overall fiscal revenue. The share of oil revenue to total government’s revenue decreased from 50.2% in 2003 to 21.7% in 2007. In addition, the decreasing export volumes of oil, resulting from the decrease in oil production, coupled with the increase in local demand, led to a decline in oil export proceeds, which in turn affected the trade and current account balances negatively. Looking forward to 2009, the drop in oil prices post the crisis will put Syria’s fiscal budget under pressure, as oil revenue will decline. In addition, the current account balance will deteriorate, on the back of declining export proceeds, lower tourism receipts and reduction in remittances, as Syrian workers lose their jobs abroad, mainly in the GCC countries, due to the economic downturn. Also, the FDI inflows, which mainly came from the Gulf States and were mostly directed to the real estate projects, are to negatively affect the current account. Accordingly, Syria’s GDP growth is expected to lose its momentum gained in the last years to report 3.0% in 2009, ameliorating in 2010 to 4.2%.

I/L - Oil Demand Key to Investment

**High oil demand means high investment in the oil sector.**

**Dourian 7** (Kate, Platts Oilgram Price Report, "Saudi Arabia Urges End to 'Prejudice' Against Crude",  Lexis, AD 7/7/11) AV

Yet, such levels of investment require prices to be at a level that allows producers to bring more oil and gas out of the ground without depressing demand. In this regard, consultants PFC Energy say high oil prices have rendered the top Opec troika of Saudi Arabia, Iran and Venezuela more resilient to external shocks than at any time in history because of the exceptional behaviour of their oil-dominated economies. Nevertheless, Opec's top three producers remain vulnerable to any sharp fall in oil prices, PFC say. For instance, Saudi Arabia's budget breakeven is currently at around $55 a barrel for US WTI and Iran's at $60 – with both rising. The message is that oil prices will need to stay at relatively high levels if producers are to meet their investment spending targets, though few expect the Opec basket price to rise above $70 a barrel as it did last year. Opec has not said what price level it will defend, though remarks by senior officials and ministers suggest they would act if it fell below $50 a barrel.

Future demand key to ensuring investments in oil - OPEC agrees.

Xuequan 8 (Mu, The China View, " EU, OPEC says secure oil demand key to spurring investment." http://news.xinhuanet.com/english/2008-06/25/content\_8432466.htm, AD 7/7/11) AV

The European Union (EU) and the Organization of the Petroleum Exporting Countries (OPEC) agreed on Tuesday that secure future demand of oil is key to spurring oil investment to guarantee supply. The EU and OPEC "recognized the importance of secure future demand for crude and products in spurring timely investment both upstream and downstream, thus contributing to greater security of supply," said energy officials from both sides in a joint statement after a meeting here. The fifth EU Energy Dialogue, attended by EU Commissioner for Energy Andris Piebalgs and OPEC President Chakib Kheli and secretary general Abdullah al-Badri, among others, took place in the aftermath of a global summit on oil prices in Saudi Arabia's Red Sea city of Jeddah Sunday. The summit, which brought together the world's major oil producers and consumers, ended with a call for more investment and improved transparency in the oil industry.

Oil prices fuels investment in the oil sector.

Jenkins 8 (Holman, The Wall Street Journal, " The Coming Oil Investment Boom." June 4th, http://online.wsj.com/article/SB121253600160243157.html?mod=todays\_columnists, AD 7/7/11) AV

But the biggest fools today may be those greenies who are clapping their hands over $135 oil as if this somehow represents the beginning of the end of fossil fuels. High prices are not the equivalent of carbon taxes – they will have the opposite effect in the long run, spurring investment and technological progress to bring vast new resources of fossil energy into production. For instance, turning coal, oil sands and oil shale into motor fuels, which is cost-effective at half of today's oil price, means massive additional releases of CO2. It's the worst nightmare of the climate worrywarts.

I/L - Investment Key to Econ

Investments in oil critical to market stability

Lipsky 8 (John, First Deputy Managing Director of the International Monetary Fund, International Monetary Fund, " The Role of Policies to Foster Oil Sector Investment in a Global Context." April, http://www.imf.org/external/np/speeches/2008/042108.htm, AD 7/7/11) AV

Against this background, increased investment in the oil sector has a crucial role to play in improving the supply-demand balance and bringing greater stability to the market. In recent years, capital expenditures have begun to rise more rapidly, as one would have expected, given price developments. However, research by IMF staff shows that this has translated into only modest increases in capacity. Specifically, while nominal oil investment grew by about 60 percent during 2002-06, in real terms investment remained broadly unchanged over this period.

Investments key to maintaining higher oil prices

Richter 8 (Paul, Los Angeles Times, " Oil crisis fuels blame game." June, http://www.latimes.com/news/nationworld/world/la-na-oil19-2008jun19,0,5026906.story, AD 7/7/11) AV

Among the most frequent new targets are speculators. Oil retailers, oil producers, many Democrats and even some Republicans say that people who buy oil as an investment are causing much of the price increase. "These Wall Street traders have pushed the economy to the brink of disaster," said Dan Gilligan, president of the Petroleum Marketers Assn. of America, a business trade group for gasoline retailers. Exxon Mobil officials have told lawmakers that more than half the price of a barrel of oil can be attributed to speculation.

Oil prices and market are driven by speculation

Stouffer 8 (Rick, RedOrbit, " Speculators Will Drive Crude Oil Prices Higher Until Demand Collapses ." May, http://www.redorbit.com/news/business/1408883/speculators\_will\_drive\_crude\_oil\_prices\_higher\_until\_demand\_collapses/index.html, AD 7/7/11) AV

Crude prices are determined by what's known as the futures spot market price determined on major commodities exchanges like the Nymex. Prices quoted daily are month-ahead, spot market prices. Contracts between crude suppliers and refiners guarantee delivery -- not price. "Crude oil trades globally on a daily basis, and there are no long-term contracts," Global Insight's Novak said. "When a refiner signs a contract, it's signing for volume and delivery, with the price based on the Nymex price. "Today's soaring Nymex crude prices are driven by speculative trading, the experts say. Speculation has grown in all commodities because hedge funds, pension funds and other large investors have moved out of the declining markets such as housing and finance in their search for profitable investments, Novak said. "The $130 a barrel oil is due to speculation," Novak said. If speculation were eliminated, she estimates the price of crude could plummet to $75 or $80 a barrel.

AT - Arab Spring

Middle East revolutions don't disprove the disad - legal and diplomatic initiatives prevented collapse.

Reuters 11 ("Through thick and thin: Arab Spring may not affect oil firms." June 16th, http://www.kippreport.com/2011/06/through-thick-and-thin-arab-spring-may-not-affect-oil-firms/, AD 7/7/11) AV

Western oil firms are unlikely to face widespread asset seizures or contract revisions as a result of Arab uprisings, thanks to deft diplomacy, legal protections and efforts to depict themselves as partners of the local citizenry. In the past, big political shifts in the Middle East have often been followed by the eviction of foreign oil producers — Muammar Gaddafi in Libya, Saddam Hussein in Iraq and Ayatollah Khomeini in Iran to cite a few examples. This time around, upheaval has hit Libya, Egypt, Yemen, Tunisia and Syria — not the biggest oil producers in the Arab world but among the most open to foreign investment. Companies including BP Plc, Exxon Mobil and Royal Dutch Shell have spent billions there. “I wouldn’t describe us as worried. We’re being vigilant,” said Bob Dudley, chief executive of BP, echoing comments from other companies. The new governments that have emerged, or may emerge, are expected by and large to remain supportive of foreign investment, because they will wish to maintain output and government revenues. “I don’t see there being a large nationalistic wave,” said Richard Quin, Middle East analyst at Wood Mackenzie. In the past popular anger toward a regime has spilled over to the companies that supported it, but oil companies say that over the past two decades, they have positioned themselves on the side of communities, rather than as agents of government. “Companies now are not so closely aligned with governments,” said Mahdi Sajjad, president of Syria-focused Gulfsands Petroleum, whose shares have been hit by investor fears about the unrest. In part this has been achieved by investing in community engagement projects. Oil contracts that are more transparent and more favourable towards host nations also play a big role.

Turn - And a halt of oil exports for a month decimated MENA economies - massive unemployment, inflation, and investment cuts.

Kenyon 11 (NPR’s foreign correspondent based in Istanbul, " Arab Spring Leaves Egypt In An Economic Slump." June 13th, http://www.npr.org/2011/06/13/137008515/arab-spring-leaves-egypt-in-an-economic-slump, AD 7/7/11) AV

Following the revolution that ousted Egyptian President Hosni Mubarak earlier this year, the country's economy is sagging — tourism has plummeted, unemployment is soaring and poverty is spreading. In Cairo, it's easy to see how devastating the Arab Spring has been to economies in the Mideast and North Africa. Nowhere has the damage been greater than in Egypt. Abu Saud Mustafa, 50, sells papyrus sheets with drawings of Egypt's ancient pharaohs. He says they used to sell for the equivalent of $10 to $15 apiece. But these days, if Mustafa can find a tourist to buy one, the best he can get is $2 or $3. "Ever since the revolution, there's been no work," Mustafa says. "I have three kids, and I can't even provide enough food for them." Mustafa says the government "has to do something." "We need stability and safety, so the tourists will come back," he says. "This is vital to us, the poor people who depend on a day's work so we can eat." The forecast does not look promising: Predictions of 7 percent growth have been slashed. Tourists who fled in droves at the peak of the season have been slow to return. Inflation jumped to more than 11 percent in March. In the first quarter, Egypt's stock market lost nearly a quarter of its value. A Poisoned Atmosphere Egypt's military rulers have not been shy about broadcasting the bad news. One said foreign investment in Egypt was "near zero." Another said if things don't change, more than two-thirds of the population could wind up in poverty in the short term.

AT - Arab Spring

The Arab Spring was a huge hit to the MENA economies - negatively impacted growth, foreign investments, and government revenue.

Brandmaier 11 (Frank, " INTERVIEW: Expert takes measure of Arab Spring's economic toll." July 1st, http://www.monstersandcritics.com/news/business/news/article\_1648841.php/INTERVIEW-Expert-takes-measure-of-Arab-Spring-s-economic-toll, AD 7/7/11) AV

Mr Tsitsiragos, what is the economic toll from the upheaval in the MENA region?

Tsitsiragos: The turmoil in the region certainly has an impact on the economic front. Just look at the numbers (which show minus growth in some countries.) On top of that, you have the situation Libya, which includes an perception effect. There is apprehension about making investments in the region. Some investment programs have come to a halt which has an impact on the economic situation. At the same time government revenues have slowed down ...

The Arab Spring proves the necessity of oil revenues - a break in oil production led to unprecedentedly low growth rates, rapid inflation, and unemployment.

ThomasWhite 11 ("MIDDLE EAST/AFRICA: ECONOMIC REVIEW JUNE 2011." June, http://www.thomaswhite.com/explore-the-world/economic-reviews/middle-east-africa.aspx, AD 7/7/11) AV

The Arab Spring brought with it waves of revolution, disrupting economies of almost all the countries in the Middle East and North Africa (MENA) region. While governments of Tunisia and Egypt look to pick up the pieces, continued rumblings of unrest are heard from Bahrain, Libya, Syria and Yemen. The World Bank expects the lowest growth in Egypt and Tunisia, clocking in at 1% and 1.5% respectively, in 2011. However, despite uncertainty, these two economies are projected to improve in 2012 and witness economic expansion of around 5% in 2013. Near-term challenges for the MENA region include declining tourism revenues and migrant remittances, and lower foreign direct investment and other international capital inflows. The political turmoil has dented Jordan’s tourism revenues – a critical component of the economy. As for Morocco, the country continues to combat deteriorating public finances, with bulging import bills due to high international oil and food prices adding to the woes. The report also anticipates a rise in government spending in 2011, as these countries look to alleviate the burden of unemployment and counter rising inflation, which is a major concern across the region. In fact, Egypt’s budget for 2011-2012 has set aside funds for social spending, improving the job market and providing subsidies. Yet encouragingly, South Africa and Israel, far removed from the political upheavals seen in the MENA countries, witnessed economic expansion in the initial quarter of 2011. In fact, Israel’s central bank has yet again raised the country’s GDP outlook for 2011.

Impact - Middle East Conflict

Most likely scenario for nuclear conflict - lack of security framework and historical rivalries.

Russell 9 (James A. "Strategic Stability Reconsidered: Prospects for Nuclear War and Escalation in the Middle East", http://www.nps.edu/academics/sigs/ccc/people/biolinks/russell/PP26\_Russell\_2009.pdf, AD 7/7/11) AV

Strategic stability in the region is thus undermined by various factors: (1) asymmetric interests in the bargaining framework that can introduce unpredictable behavior from actors; (2) the presence of non-state actors that introduce unpredictability into relationships between the antagonists; (3) incompatible assumptions about the structure of the deterrent relationship that makes the bargaining framework strategically unstable; (4) perceptions by Israel and the United States that its window of opportunity for military action is closing, which could prompt a preventive attack; (5) the prospect that Iran’s response to pre-emptive attacks could involve unconventional weapons, which could prompt escalation by Israel and/or the United States; (6) the lack of a communications framework to build trust and cooperation among framework participants. These systemic weaknesses in the coercive bargaining framework all suggest that escalation by any the parties could happen either on purpose or as a result of miscalculation or the pressures of wartime circumstance. Given these factors, it is disturbingly easy to imagine scenarios under which a conflict could quickly escalate in which the regional antagonists would consider the use of chemical, biological, or nuclear weapons. It would be a mistake to believe the nuclear taboo can somehow magically keep nuclear weapons from being used in the context of an unstable strategic framework. Systemic asymmetries between actors in fact suggest a certain increase in the probability of war – a war in which escalation could happen quickly and from a variety of participants. Once such a war starts, events would likely develop a momentum all their own and decision-making would consequently be shaped in unpredictable ways. The international community must take this possibility seriously, and muster every tool at its disposal to prevent such an outcome, which would be an unprecedented disaster for the peoples of the region, with substantial risk for the entire world.

\*\*\*Saudi Oil DA\*\*\*

1NC - Saudi Arabia Oil (1/2)

A shift to renewable energies would devastate Saudi Arabia's economy - it's vulnerable and not diverse.

Singh 11 (Timon, MENA Magazine Issue 4, " The Middle East: Renewable energy friendly?" http://www.menainfra.com/article/middle-east-renewable-energy/, AD 7/7/11) AV

It is hardly surprising, after all apart from Russia, the Kingdom is the world's leading oil producer, so embracing renewable energy would almost be detrimental to Saudi Arabia's economy. However while Russia has said that dependency on its energy exports is 'humiliating' and have striven to diversify, Saudi Arabia have stood firm. Riyadh have recently stated plans to spend US$170 billion over the next five years on energy and oil refining efforts confirming thoughts that they aren't treating renewable energy as a serious investment, despite green technologies doing well in terms of market shares. Saudi Aramco, the country's state-owned oil company, has even been quoted as saying it is "unrealistic" for Saudi Arabia to invest heavily into alternative energy sources when its 'cash cow' is essentially its oil wealth. While the Kingdom may have made half-hearted efforts to embrace renewable technology such as cursory investment in bio fuels and electric vehicles, it is still very much placing all its eggs in one basket. Speaking to Oilprice.com, Eurasia Group energy analyst Will Pearson argued this could prove to be a mistake for Saudi Arabia. Acknowledging that people are going to be dependant on the oil industry for transport for a while, Pearson said that Saudi Arabia was wasting its potential to become a major solar player saying the kingdom had not made "too much concrete progress so far." In fact, he went so far as to say that without a "huge, revolution[ary], game-changing technology," an abrupt shift in Saudi Arabia's "fuel mix" is doubtful.

That collapses the current Saudi regime and results in a coup

Bucholz 97 (Jennifer, University of Michigan graduate, " Saudi Arabia as a Potential Rogue State/ ." June, http://www-personal.umich.edu/~rtanter/S97PS472\_Papers/BUCHOLZ.JENNIFER.SAUDI.HTML, AD 7/7/11) AV

All famous revolutions have a leader who becomes the embodiment of the revolutionary movement. For the French he was Robespierre or Danton, for the Americans he was Washington, for the Iranians he was Khomeni. Who will it be for the Saudis? As of yet, no one. There are many possible leaders: the six thousand princes, the religious leaders within and outside the regime. But none has yet emerged as The One. Also, there must be a spark to start the revolutionary coup in motion. This is typically a national crisis or hardship, or else a very blatantly unacceptable act on the part of the old regime. For the Saudis, still highly dependent on the ebb and flow of the world oil market, a catastrophe on the world oil market could be that spark. The lifting of international sanctions on Iraq and subsequent crash in oil prices or the end of Saudi oil reserves, concurrent with continued dissatisfaction of the Saudis with their government, would spell the end of the current regime. A quote by an astute American reporter on the Saudi situation quite accurately relates the tale of the Saudi future: "Riyadh will be able to keep a lid on an increasingly tense and uneasy society. But if something happens to break that bubble, the odds would shift." (52).

1NC - Saudi Arabia Oil (2/2)

**A Coup allows for the escalation of a Middle East nuclear arms race**

Markey 8 (Edward, Wall Street Journal, " Why Is Bush Helping Saudi Arabia Build Nukes?" June 10th, http://online.wsj.com/article/SB121305642257659301.html?mod=googlenews\_wsj, AD 7/7/11) AV

Last month, while the American people were becoming the personal ATMs of the Organization of the Petroleum Exporting Countries, **Secretary of State** Condoleezza **Rice** was in Saudi Arabia signing away an even more valuable gift: nuclear technology. In a ceremony little-noticed in this country, Ms. Rice **volunteered the U.S. to assist Saudi Arabia in developing nuclear reactors,** training nuclear engineers, **and constructing nuclear infrastructure. While oil breaks records at $130 per barrel or more,** the **America**n consumer **is footing the bill for Saudi Arabia's nuclear ambitions.** Saudi Arabia has poured money into developing its vast reserves of natural gas for domestic electricity production. It continues to invest in a national gas transportation pipeline and stepped-up exploration, building a solid foundation for domestic energy production that could meet its electricity needs for many decades. Nuclear energy, on the other hand, would require enormous investments in new infrastructure by a country with zero expertise in this complex technology. Have Ms. Rice, Mr. Bush or Saudi leaders looked skyward? The Saudi desert is under almost constant sunshine. If Mr. Bush wanted to help his friends in Riyadh diversify their energy portfolio, he should have offered solar panels, not nuclear plants. **Saudi Arabia's interest in nuclear technology can only be explained by the dangerous politics of the Middle East. Saudi Arabia, a champion** and kingpin **of the Sunni Arab world, is deeply threatened by the rise of Shiite-ruled Iran.** The two countries watch each other warily over the waters of the Persian Gulf, buying arms and waging war by proxy in Lebanon and Iraq. An Iranian nuclear weapon would radically alter the region's balance of power, and could prove to be the match that lights the tinderbox. **By signing this agreement with the U.S., Saudi Arabia is warning Iran that two can play the nuclear game.** In 2004, Vice President Dick Cheney said, "[Iran is] already sitting on an awful lot of oil and gas. No one can figure why they need nuclear, as well, to generate energy." Mr. Cheney got it right about Iran. But a potential Saudi nuclear program is just as suspicious. For a country with so much oil, gas and solar potential, importing expensive and dangerous nuclear power makes no economic sense. The Bush administration argues that Saudi Arabia can not be compared to Iran, because Riyadh said it won't develop uranium enrichment or spent-fuel reprocessing, the two most dangerous nuclear technologies. At a recent hearing before my Select Committee on Energy Independence and Global Warming, Secretary of Energy Samuel Bodman shrugged off concerns about potential Saudi misuse of nuclear assistance for a weapons program, saying simply: "I presume that the president has a good deal of confidence in the King and in the leadership of Saudi Arabia." That's not good enough. **We would do well to remember that it was the U.S. who provided the original nuclear assistance to Iran** under the Atoms for Peace program, **before Iran's monarch was overthrown in the 1979 Islamic Revolution. Such an uprising in Saudi Arabia today could be at least as damaging to U.S. security. We've long known that America's addiction to oil pays for the spread of extremism. If this** Bush **nuclear deal moves forward, Saudi Arabia's petrodollars could flow to the dangerous expansion of nuclear technologies in the most volatile region of the world**. While the scorching Saudi Arabian sun heats sand dunes instead of powering photovoltaic panels, **millions of Americans will fork over $4 a gallon without realizing that their gas tank is fueling a nascent nuclear arms race** .

That escalates and guarantees extinction.

Cirincione 7 (Joseph, Director of Nuclear Policy at the Center for American Progress, "Apocalypse When?," November 12th, http://www.nationalinterest.org/Article.aspx?id=15998, AD 7/7/11) AV

Third is the risk of new nuclear nations. I agree with Mueller that the danger here is not that Iran or North Korea would use a nuclear bomb against America or their neighbors. Deterrence is alive and well; they know what would happen next. Nor is it that these states would intentionally give a weapon they worked so hard to make to a terrorist group they could not control. Rather it is the risk of what could happen in the neighborhood: a nuclear reaction chain where states feel they must match each other's nuclear capability. Just such a reaction is underway already in the Middle East, as over a dozen Muslim nations suddenly declared interest in starting nuclear-power programs. This is not about energy; it is a nuclear hedge against Iran. It could lead tp a Middle East with not one nuclear-weapons state, Israel, but four or five. That is a recipe for nuclear war.

Link - Oil k2 Saudi Arabian econ

Oil exports are the main source of revenue for the Saudi Arabian economy - oil exports account for 90% of Saudi export earnings.

CEA 11 (Consumer Energy Alliance, cites DoE, "Saudi Arabia." http://consumerenergyalliance.org/energy-around-the-world/saudi-arabia/, AD 7/5/11) AV

Saudi Arabia is the world’s largest producer and exporter of total petroleum liquids, and the world’s second largest crude oil producer behind Russia. Saudi Arabia’s economy remains heavily dependent on oil and petroleum-related industries, including petrochemicals and petroleum refining. Oil export revenues have accounted for around 90 percent of total Saudi export earnings and state revenues and above 40 percent of the country’s gross domestic product (GDP). Saudi Arabia’s hydrocarbon sector operations are dominated by the state-owned oil company, Saudi Aramco. Saudi Aramco is the world’s largest oil company in terms of proven reserves and production of hydrocarbons. In addition, Saudi Arabia’s Ministry of Petroleum and Mineral Resources and the Supreme Council for Petroleum and Minerals have oversight of the sector and Saudi Aramco directly. The Supreme Council, which is comprised of members of the royal family, industry leaders and government ministers, is responsible for petroleum and natural gas policy-making, including contract review, as well as Saudi Aramco’s strategic planning. The Ministry is responsible for national planning in the area of energy and minerals, including petrochemicals.

Saudi Arabian economic success is directly proportional to the success of its oil industry.

Kingdom of Saudi Arabia in Shanghai 10 ("Energy in the Kingdom." http://www.saudiexpo2010.com/index.php/en/energy-in-the-kingdom, AD 7/5/11) AV

For decades, Saudi Arabia’s economic development has been driven by the strong success its oil industry. Saudi Arabia is the world’s largest producer and exporter of petroleum liquids and is currently the world’s second largest crude oil producer behind Russia. Saudi Arabia’s economy remains heavily dependent on oil and petroleum-related industries, including petrochemicals and petroleum refining. According to the International Monetary Fund, oil export revenues account for around 90 percent of total Saudi export earnings and above 40 percent of the country's gross domestic product (GDP). Meanwhile, Saudi Arabia is also the Middle East’s fastest growing consumer of energy, due in part to its rapidly growing population and large-scale development projects. Domestic consumption has also been stimulated by historically high oil prices and large government fuel subsidies.

The Saudi Arabian economy is dependent on its hydrocarbon sector - reduced demand will deteriorate growth.

Hasan et. al. 10 (Faisal, CFA Head of Research, "MENA Economic Report." January, http://www.amaaonline.com/files/MENA%20Economic%20Report.pdf, AD 7/5/11) AV

Saudi Arabia is an oil-based economy, as the hydrocarbon sector represented 60.3% of GDP in 2008. The Kingdom of Saudi Arabia is the world’s largest oil producer and has the largest proven oil reserves in the world. The hydrocarbons sector contributed to 89.3% of Saudi Arabia fiscal revenue and 87% of its total exports proceeds in 2008. Saudi Arabia GDP recorded a growth rate of 22.1% in nominal values, whereas in real terms it grew by 4.4% in 2008. The Kingdom’s real GDP is to Increase by 0.15% in 2009, and to rebound back to positive growth in 2010, by 3.0% The surge experienced in oil prices during most of 2008 was the main reason behind this large divergence between real and nominal growth. In nominal terms, the oil sector inclined by 34.9% and the non-oil sector reported a growth rate of 6.7%, while in real terms the oil and non-oil sectors achieved a growth rate of 4.8% and 4.3%, respectively. Despite the emergence of the global financial crisis in mid September 2008 and the declining oil prices thereafter, the high petroleum products prices witnessed in 2008 fueled the noteworthy growth in the Kingdom’s fiscal and trade surpluses, growing by 229% and 49%, respectively. In addition, the surge in oil prices, coupled with hiking food prices globally, resulted in a high inflation rate, reaching a peak of 11.1% in July 2008. The slump in oil prices post the credit crunch caused a significant draw back in the Kingdom’s economic performance. In real terms, the oil sector is estimated to shrink by 6.4%, whereas the non-oil sector is estimated to increase by 3% in 2009. The retreat of oil-related revenues will negatively affect Saudi Arabia fiscal revenue, as Saudi Arabia expects total revenue to decline by 54% in 2009. However, the government will support the budget by using its international reserves accumulated during the oil price peak to support the economy. Moreover, the trade balance will decrease on the back of lower exports proceeds, mainly oil as well as non-oil, leading to deterioration in the current account balance. The current account surplus as percent of GDP is estimated to drop from 28.6% in 2008 to 5.5% in 2009.

Link - Oil k2 Saudi Arabian econ

The Saudi economy is fueled by the oil and gas sector.

Hanware 4 (Khalil, Arab News, "Saudi Banks Strongest in Middle East, Says S&P." April, http://archive.arabnews.com/?page=6&section=0&article=62039&d=13&m=4&y=2005, AD 7/7/11) AV

Saudi Banks Strongest in Middle East, Says S&P The Saudi economy is driven by the oil and gas sector. Consequently, a prolonged decline in oil prices would have negative implications for the economy, and ultimately for banks’ asset quality. “In addition, we believe that Saudi banks bear some risks from their exposure, direct and indirect, to their booming equity and real estate markets,” added Volland. The asset price inflation of the past two years largely reflects a surge in funds flowing back to the country and structural economic improvements, but is partly an artificial bubble that could deflate. Although most banks are well equipped to absorb a major correction, the impact would be very significant if both markets were to crash (this worst-case scenario is not expected). On a positive note, record oil revenues, solid economic growth, low interest rates and inflation, and strong fiscal performance characterize the current economic environment.

Oil is the center of the Saudi Arabian economy - it accounts for 90 percent of its GDP.

Bering 2k (Helle, Columnist, The Washington Times, "The Politics of Oil." February, http://www.israeleconomy.org/nbn/nbn41.htm, AD 7/7/11) AV

Accordingly, the oil price shocks we are experiencing today are distorted and artificial, a frantic grasp at survival by the leaders of OPEC, the Organization of Petroleum Exporting Countries. Barely touched by globalization and economic modernization, oil is their bread and butter. For instance, oil accounts for 90 percent of gross domestic product of countries like Saudi Arabia and Kuwait. In March last year, OPEC slashed 4 million barrels a day from a global production totaling 75 million barrels. Combine that with a pretty chilly winter in the north and we now have soaring prices and politicians like Sen. Charles Schumer of New York squealing for intervention

Saudi Arabia depends on the revenue from its oil exports.

**Dourian 7** (Kate, Platts Oilgram Price Report, "Saudi Arabia Urges End to 'Prejudice' Against Crude",  Lexis, AD 7/7/11) AV

"Efforts by consuming nations to use alternatives to fossil fuels as a way to combat climate change are not a practical alternative to reducing greenhouse gas emissions," said Naimi, who has been oil minister of the OPEC powerhouse since 1995. "Advanced technology for carbon sequestration and carbon capture would allow the world to continue burning all types of fossil fuels but cleanly," said the minister. "This would protect the environment on the one hand while lessening the economic burden on consuming nations and on our country, which depends in a large part on petroleum exports." Saudi Arabia would prefer to see these types of alternatives rather than hear talk of a curb on imports of crude by consumers, an apparent reference to the US, where the administration of George W. Bush has repeatedly called for lessening reliance on foreign crude imports. Saudi Arabia is one of the biggest suppliers of crude to the US market, though it sees bigger demand growth now from Asia.

Link - Oil k2 Saudi Arabian econ

Oil Key to Saudi Economy – 75% of revenue.

U.S. Department of State 8 (http://www.state.gov/r/pa/ei/bgn/3584.htm, AD 7/7/11) AV

Oil was discovered in Saudi Arabia by U.S. geologists in the 1930s, although largescale production did not begin until after World War II. Oil wealth has made possible rapid economic development, which began in earnest in the 1960s and accelerated spectacularly in the 1970s, transforming the kingdom. Saudi oil reserves are the largest in the world, and Saudi Arabia is the world's leading oil producer and exporter. Oil accounts for more than 90% of the country's exports and nearly 75% of government revenues. Proven reserves are estimated to be 263 billion barrels, about one-quarter of world oil reserves. More than 95% of all Saudi oil is produced on behalf of the Saudi Government by the parastatal giant Saudi ARAMCO. In June 1993, Saudi ARAMCO absorbed the state marketing and refining company (SAMAREC), becoming the world's largest fully integrated oil company. Most Saudi oil exports move by tanker from Gulf terminals at Ras Tanura and Ju'aymah. The remaining oil exports are transported via the east-west pipeline across the kingdom to the Red Sea port of Yanbu. Due to a sharp rise in petroleum revenues in 1974 following the 1973 Arab-Israeli war, Saudi Arabia became one of the fastest-growing economies in the world. It enjoyed a substantial surplus in its overall trade with other countries; imports increased rapidly; and ample government revenues were available for development, defense, and aid to other Arab and Islamic countries.

Impact - Coup XTN

A decline in Saudi Arabian wealth guarantees a radical regime shift - deprivation leads to a coup.

Bucholz 97 (Jennifer, University of Michigan graduate, " Saudi Arabia as a Potential Rogue State/ ." June, http://www-personal.umich.edu/~rtanter/S97PS472\_Papers/BUCHOLZ.JENNIFER.SAUDI.HTML, AD 7/7/11) AV

This is an example of psychology and deterence theories (18), this time applied to the average Saudi subject. A member of the private sector who is used to living at a certain level of wealth, as the Saudis before the Gulf War or in the heyday of high oil prices, may feel greatly deprived when no longer benefiting from such a favorable economic situation, as the Saudis in the post-Gulf War economic slump. This is a result of the difference in reference points between the pre-1979 Iranians and current day Saudis (19). Because the reference point of the oil-rich Saudis is so high, any significant drop in prosperity from that reference point would be considered deprivation and poverty. This could also be considered an example of unmotivated bias on the part of the Saudi subjects regarding their economic status (20). In an unmotivated bias an actor’s perception is shaped by what he expects. For the Saudis of the last forty years, wealth is an expectation. It is part of their belief about themselves. Because they expect a modest degree of wealth, they perceive anything less as deprivation and react virulently, as a result of their unmotivated bias. Thus, while objectively the poverty levels in the Iranian and Saudi examples may not be equivalent, a suffering Saudi economy and perceived relative poverty could bring about the same socio-economic effects in a potentially revolutionary situation, as the Saudis are in now.

A Saudi coup will result in Middle Eastern nuclear conflicts.

Bucholz 97 (Jennifer, University of Michigan graduate, " Saudi Arabia as a Potential Rogue State/ ." June, http://www-personal.umich.edu/~rtanter/S97PS472\_Papers/BUCHOLZ.JENNIFER.SAUDI.HTML, AD 7/7/11) AV

These threats to American interests in Saudi Arabia proper may not be sufficient to irrevocably portray a Saudi rogue state as a regional hegemon. But the crucial role of Saudi Arabia as a leader of Islamic nations everywhere, as the geographic and historical protector of Islam, establishes the Saudis as a keystone in the U.S. security interests regarding Islamic countries. This is even more so in the Middle East because of its additional geographic proximity to Saudi Arabia. Because the Saudis have managed to remain moderate thus far, the full extent of this influence has not been tested. However, if the Saudis were to adopt a wildly radical stance, it could have a significant impact on the policies of other countries who subscribe to the same social and political code as Saudi Arabia. Just as the communist U.S.S.R. had almost total hegemonic control over regional satellites because of geographic proximity and well-propagated social and political ideology, the Saudis could have their own band of satellites, both within the Middle East and without. Visions of Kuwait, U.A.E., and Oman as the next Poland, East Germany, and Czechoslovakia and rapidly-developing Indonesia as the next China bring the Saudis' full hegemonic capabilities into crystal-clear focus.

Impact - Coup XTN

Middle Eastern stability relies on Saudi financial assistance - A Saudi Arabian economic collapse would wreak havoc.

Zunes 8 (Stephen, a Foreign Policy In Focus columnist and senior analyst, is a professor of Politics and chair of Middle Eastern Studies at the University of San Francisco, " Arming the Middle East." January, http://www.fpif.org/articles/arming\_the\_middle\_east, AD 7/7/11) AV

These military expenditures place a major toll on the fiscal well-being of Middle Eastern countries. Military expenditures often total half of central government outlays. Many senior observers believe that debt financing in Saudi Arabia that has been used in the past to finance arms purchases has threatened the kingdom’s fragile social pact of distributing oil rents to favored constituents and regions. A very important factor, often overlooked, is that a number of Middle Eastern states – such as Egypt, Jordan, Tunisia, and Morocco – are highly dependent on Saudi Arabia for financial assistance. As Saudi Arabia spends more and more on arms acquisitions, it becomes less generous, leading to serious budget shortfalls throughout the Arab world. The result is that these arms sales may be causing more instability and thereby threatening these countries’ security interests more than they are protecting them. Even Middle Eastern countries that do not have to buy their American weapons suffer the economic consequences. For example, U.S. arms transfers cost the Israelis two to three times their value in maintenance, spare parts, training of personnel, and related expenses. It drains their economy and increases their dependency on the United States. The implications of these ongoing arms purchases are ominous on several levels. For example, one of the most striking but least talked about for the Middle East is the “food deficit,” the amount of food produced relative to demand. With continued high military spending – combined with rapid population growth and increased urbanization – the resulting low investments in agriculture have made this deficit the fastest growing in the world.

Middle Eastern instability will escalate and result in extinction.

Ferguson 7 (Niall, a British historian who specialises in financial and economic history, "Should we Simply Ignore the Mideast." June, http://www.kurdnas.com/en/index2.php?option=com\_content&do\_pdf=1&id=53, AD 7/7/11) AV

As I said, there's no shortage of division in the Middle East. But who gets to rule is less clear. For some time I have been warning that the next great global conflict will begin in the Middle East, just as the two world wars had their origins in Eastern Europe. The lethal combination of ethnic disintegration, economic volatility and an empire in decline (in this case, the U.S.) makes an upward spiral of violence hard to avoid. Add to that the demographic pressures caused by high Muslim birthrates, the money generated by vast deposits of oil and natural gas and the risk that the most revolutionary power in the region will soon possess nuclear weapons — and you have a recipe for Armageddon.

Impact - Econ collapse

Disruption is Saudi oil exports would decimate the global economy and would cripple global trade.

Obaid 11 (Nawaf, senior fellow at the King Faisal Center for Research and Islamic Studies, " The day of Saudi collapse is not near." April, foreign policy, http://oilandglory.foreignpolicy.com/category/wordpress\_tag/arab\_spring, AD 7/7/11) AV

The logic of this narrative is there: Saudi Arabia holds 25 percent of the world's proven oil reserves, is the largest exporter of oil, is the only nation with significant spare capacity (almost 4 million barrels of oil a day), and is the leading power and sole swing producer in OPEC. A disruption in Saudi oil exports would create what can best be described as a global economic catastrophe. Unlike in the case of the disruption of Libyan exports, in which Plan B is for Saudi Arabia to increase its exports to steady the markets, there is no Plan B if Saudi Arabia goes off line. Because the kingdom possesses about 75 percent of the world's spare capacity -- all of which would now vanish -- oil would probably soar to $200-$300 per barrel in such a scenario. The effects this would have on economies around the world would be devastating. Stock markets would crash as mega non-energy multinational companies would see their energy costs soar, and their market cap valuations drop. The entire transportation sector would go bankrupt. Wall Street would be the most affected -- it would require federal government bailouts that would dwarf those made just a few years ago. The nascent U.S. recovery would grind to a halt, as every extra cent paid at the pump would pull about $1 billion from motorists' pockets per year. The sudden, exorbitant rise in the cost of practically every commodity would cripple global trade.

Global nuclear war

Mead 92 (Walter, 1992 NPQ's Board of Advisors, New Perspectives Quarterly, Summer 1992, p.30, AD 7/7/11) AV

What if the global economy stagnates-or even shrinks? In the case, we will face a new period of international conflict: South against North, rich against poor, Russia, China, India-these countries with their billions of people and their nuclear weapons will pose a much greater danger to world order than Germany and Japan did in the '30s.

Impact - Econ collapse XTN

Conflict in Saudi Arabia collapses the world economy

David 99 (Steven R., Professor of Political Science at Johns Hopkins University, Foreign Affairs January 1999, " Saving America from the Coming Civil Wars." Jstor, AD 7/7/11) AV

In a Saudi civil war, the oil fields will be a likely battle site, as belligerents seek the revenue and international recognition that come with control of petroleum. For either side to cripple oil production would not be difficult. The real risk lies not with the onshore oil wells themselves, which are spread over a 100-by-300 mile area, but in the country's dependence on only a few critical processing sites. Destruction of these facilities would paralyze production and take at least six months to repair. If unconventional weapons such as biological agents were used in the oil fields, production could be delayed for several more months until workers were convinced it was safe to return. Stanching the flow of Saudi oil would devastate the United States and much of the world community. Global demand for oil (especially in Asia) will increase in the coming decades, while non-Persian Gulf supplies are expected to diminish. A crisis in the planet's largest oil producer, with reserves estimated at 25 percent of the world's total, would have a massive and protracted impact on the price and availability of oil worldwide. As the disruptions of 1973 and 1979 showed, the mere threat of diminished oil supply can cause panic buying, national hysteria, gas lines, and infighting. Prices for oil shot up 400 percent in 1973, 150 percent in 1979, and 50 percent (in just 15 days) in 1990. The oil shocks of the 1970s threw the United States into recession, causing spiraling inflation and a decline in savings rates that plagues the U.S. economy even now. Trillions of dollars were lost worldwide. And all this occurred at a time when the United States was less dependent on foreign petroleum than it is now. Cutting the Saudi pipeline today would cause a severe worldwide recession or depression. Short of physical attack, it is the gravest threat imaginable to American interests

Impact - Terrorism

A coup would allow complete state-sponsored nuclear terrorism

Bucholz 97 (Jennifer, University of Michigan graduate, " Saudi Arabia as a Potential Rogue State/ ." June, http://www-personal.umich.edu/~rtanter/S97PS472\_Papers/BUCHOLZ.JENNIFER.SAUDI.HTML, AD 7/7/11) AV

The issue of dissent in the desert kingdom has been newly revived by two major terrorist attacks on Americans in Saudi Arabia in the last two years. Saudi terrorists have claimed responsibility for both. The first was a car bombing at a building used by U.S. personnel to train the Saudi National Guard on 13 November, 1995 ([22](http://www.saudhouse.com/news/january/4.htm)). Fatalities of the bombing included five Americans, two Indians, and no Saudis. At the time of the attack, several dissident groups claimed responsibility. Later, Abdulaziz Fahd Nasser, one of four arrested for the bombing, said that they opposed Saudi Arabia’s close ties with "non-Muslim countries" and were angered by the regime’s failure to strictly observe Islamic tenets ([23](http://www.netarrant.net/news/doc/1047/1:WORLDC/1:WORLDC042296.html)). In the following months, the U.S. State Department received further threats, as announced in this January statement: "The U.S. Embassy has received new and disturbing reports that additional attacks may be planned against institutions identified with the United States and its interests in Saudi Arabia." The threats deterred Secretary of State Warren Christopher’s planned visit to Riyadh to meet with Crown Prince Abdullah, who is leading the country during King Fahd’s illness. When the two did meet, Abdullah assured Christopher that the two countries would not abandon their close ties despite suspicion among conservative groups about the U.S.-Saudi relations ([24](http://www.saudhouse.com/news/january/4.htm)). Then in late June 1996, as a fulfillment of the threat of promised additional attacks, a bomb went off in front of a U.S. building in Dhahran, which housed U.S. military personnel. Several U.S. citizens died in the attack (25). But the bombings of November 1995 and June 1996 were not isolated incidents. The following message issued 25 February, 1997, by the American Embassy and Consulates in Saudi Arabia provides very real evidence of the continuing plague of terrorism by Saudis against Americans within Saudi borders: "The embassy notes with deep concern a recent interview aired on London television on 20 February with well-known terrorist Usama Bin Ladin in which he not only threatened again the U.S. military in Saudi Arabia but also called for the expulsion of American civilians. At the same time the Embassy continues to receive reports indicating possible surveillance or probes of U.S. military and government facilities suggesting that planning for terrorist action against U.S. interests in Saudi Arabia continues unabated." As voiced by the terrorist Nasser, the reason behind such bombings is primarily opposition to the Saudi regime’s connections to the U.S., which explains the select targets of the bombings: U.S. military presence in Saudi Arabia. The bombings are significant to this study for two reasons. First, they are further evidence of growing Saudi dissatisfaction with the persistently pro-U.S. choices of the regime. Secondly, they are evidence of the growing prevalence of terrorism as a political means in Saudi Arabia. Sponsoring of terrorist acts is a basic characteristic of rogue states; indeed, the first list of such rogue states was the U.S. State Department’s list of states sponsoring international terrorism. Although the current government does not sponsor such acts, the track record of the dissident groups leads one to the conclusion that they would have no reservations utilizing terrorism on an international scale if they were to come to power.

Terrorism will lead to extinction

Sid-Ahmed 4 (Mohamed Sid-Ahmed. Al-Ahram Weekly. “Extinction!” September 1st, http://weekly.ahram.org.eg/2004/705/op5.htm, AD 7/7/11) AV

We have reached a point in human history where the phenomenon of terrorism has to be completely uprooted, not through persecution and oppression, but by removing the reasons that make particular sections of the world population resort to terrorism. This means that fundamental changes must be brought to the world system itself. The phenomenon of terrorism is even more dangerous than is generally believed. We are in for surprises no less serious than 9/11 and with far more devastating consequences.The advent of the nuclear age, which began when America dropped two atom bombs on Hiroshima and Nagazaki just before the end of World War II, introduced an altogether new dimension to the arms race worldwide. In fact, it changed the very notion of warfare as the realisation set in that humankind now had the means to turn the planet into a wasteland incapable of sustaining life. For the first time in its long history, the human race was at risk of extinction not through an act of nature but by its own hand.

Impact - Leadership

U.S oil assets in Saudi Arabia key to power projection and leadership.

Barker 01(James. Secretary of State for George H W Bush)

http://www.pbs.org/wgbh/pages/frontline/shows/saudi/interviews/baker.html, AD 7/7/1) AV

Why is Saudi Arabia important? Well, Saudi Arabia is important because the United States has a very substantial national security interest in ready access to the energy supplies of the Persian Gulf. Saudi Arabia controls most of those energy supplies. So it has been an ally and friend of the United States for as long as I can remember. ... You say Saudi Arabia has been central through all of these administrations to our national security. It's my understanding that, in the 1980s, we, in a sense, made a strategic shift because of what happened in Iran. We encouraged the Saudis to create a military base complex, if you will, that would help us defend the region. That's very possibly true. I don't remember specifically that happening. But we have, through the years, in connection with our close alliance with them, and our national interest in protecting the energy reserves of the Persian Gulf... We've encouraged them to provide funding for security measures, and to create, to the extent they could, their own security.

That prevents nuclear war

Khalizad 95 (Zalmay, "Losing the Moment?", Washington Quarterly, spring, p. lexis, AD 7/7/11) AV

Under the third option, the United States would seek to retain global leadership and to preclude the rise of a global rival or a return to multipolarity for the indefinite future. On balance, this is the best long-term guiding principle and vision. Such a vision is desirable not as an end in itself, but because a world in which the United States exercises leadership would have tremendous advantages. First, the global environment would be more open and more receptive to American values -- democracy, free markets, and the rule of law. Second, such a world would have a better chance of dealing cooperatively with the world's major problems, such as nuclear proliferation, threats of regional hegemony by renegade states, and low-level conflicts. Finally, U.S. leadership would help preclude the rise of another hostile global rival, enabl[e] the United States and the world to avoid another global cold or hot war and all the attendant dangers, including a **global nuclear exchange**. U.S. leadership would therefore be more conducive to global stability than a bipolar or a multipolar balance of power system.

Impact - Leadership XTN

High oil prices allow a strategic U.S-Saudi Arabian relationship which is necessary for U.S power projection.

Friedman 8 (George, PhD, Founder and CEO of Stratfor. “The Geopolitics of $130 Oil,” Stratfor Geopolitical Intelligence Report, http://www.stratfor.com/weekly/geopolitics\_130\_oil, AD 7/7/11) AV

As we have already said, the biggest winners are the countries of the Arabian Peninsula. Although somewhat strained, these countries never really suffered during the period of low oil prices. They have now more than rebalanced their financial system and are making the most of it. This is a time when they absolutely do not want anything disrupting the flow of oil from their region. Closing the Strait of Hormuz, for example, would be disastrous to them. We therefore see the Saudis, in particular, taking steps to stabilize the region. This includes supporting Israeli-Syrian peace talks, using influence with Sunnis in Iraq to confront al Qaeda, making certain that Shiites in Saudi Arabia profit from the boom. (Other Gulf countries are doing the same with their Shiites. This is designed to remove one of Iran’s levers in the region: a rising of Shiites in the Arabian Peninsula.) In addition, the Saudis are using their economic power to re-establish the relationship they had with the United States before 9/11. With the financial institutions in the United States in disarray, the Arabian Peninsula can be very helpful.

\*\*\*Libya Oil DA\*\*\*

1NC - Libya Oil (1/2)

The Libyan economy is dependent on the performance of its oil sector - reduced demand would destroy its wellbeing .

Hasan et. al. 10 (Faisal, CFA Head of Research, "MENA Economic Report." January, http://www.amaaonline.com/files/MENA%20Economic%20Report.pdf, AD 7/5/11) AV

With oil and gas making up around 70% of the Country’s nominal GDP and about 98% of exports, the Libyan economy is highly dependent on hydrocarbons and lacks diversification. The Country’s wealth is greatly tied to the performance of the international hydrocarbons sector. Despite the occurrence of the financial crisis, real GDP rose by 6.1% in 2008, compared to 5.6%, a year before. The main driver was the soaring prices of oil in 2008. In addition, positive performance of other non-oil sectors contributed to the rise of the economy, these include construction and transportation. Being the main catalyst for growth, the plummeting oil prices will harshly impact the Libyan economy in 2009, slowing down its development, to bounce back in 2010 with the expected recovery of the world economies. Government spending rose in 2008, on the back of the increase in public investment. Yet, the fiscal budget continued to witness a surplus in its overall balance, as fiscal revenues outstripped expenditures, fueled by oil revenues, which share of total revenues stood at approximately 89%. Also, revenues were affected by taxes, which in turn stemmed from developments of the private sector. The overall fiscal balance is expected to drop in 2009, as a result of falling oil prices. Therefore, the Libyan government will have to control its spending, to deal with the declining hydrocarbons revenues. In the second quarter of 2009, the overall fiscal balance reported a deficit, as a result of the decline in revenues coupled with a stagnation of expenditures. However, the year is expected to end with a little surplus or a small deficit.

And the U.S will spin a Libyan economic collapse as a reason to occupy Libya and rebuild infrastructure - it has an economic incentive to do so.

Islam 11 (Maidul, " Imperialist War In Libya: Motives And Dynamics." March, http://www.countercurrents.org/islam270311.htm, AD 7/7/11) AV

Seventhly, this war is also a result of the domestic political dynamics of western powers and an attempt to resolve the emerging political contradictions within US-UK-France. The bottom-line of this imperialist intervention is not only oil in Libya as previously pointed out but also to get the reconstruction deal for Anglo-American-French companies just like it happened for Iraq and Afghanistan in the past after it carried out the destruction, ravagery and savagery of war. Therefore, this imperialist aggression in Libya is clearly aimed to manage western financial crisis by getting hold of the oil resources in Libya (and hence some more money) in the hands of the Anglo-American-French governments. Similarly, during the reconstruction process in future, Libya would create some employment for the Western youth who are jobless in the wake of massive economic recession. Moreover, when the western governments are increasingly becoming unpopular due to massive cuts in public spending owing to the financial crunch, a war in the name of ‘exporting democracy’ with a jingoistic appeal to ‘civilize’ the ‘brown/black population’ can create a nationalist frenzy in UK-US-France and thus can make these same governments to divert the real economic issues in their own countries and in fact can re-legitimize their rule which is under threat from popular outbursts against corporate bail-outs and budget cuts in social welfare sectors.

1NC - Libya Oil (2/2)

That causes overstrech and erodes leadership.

Pothuraju 11 ( Babjee, Research Assistant at the Institute for Defence Studies and Analyses, New Dehli, " US Role in Libya: Declining Hegemony?" http://www.idsa.in/idsacomments/USRoleinLibyaDecliningHegemony\_bpothuraju\_100511#footnote6\_xkk2c6q, AD 7/7/11) AV

Secondly, there is an economic dimension. The ongoing wars in Afghanistan and Iraq have caused a huge burden to the American exchequer in terms of personnel and material support for these operations. Specifically, citing the case of Iraq, Obama added that the intervention in Iraq took more than the expected time, costing thousands of lives and the loss of nearly a trillion dollars.5 At the same time, it has created a trust-deficit about the motives of the US in intervening externally. Therefore, the Obama administration does not want to repeat the same in Libya. A reminder here is that the attacks of the Western forces in Libya have already cost millions of dollars. This figure may rise significantly if the operation continues longer, given that Britain and France have called for increased investments by the allies. In an analysis in March 2011, the Center for Strategic and Budgetary Assessments estimated that the “Libyan no-fly zone could cost $100 million to $300 million per week”.6 This indicates that even if the US plays a limited role, the overall burden to the economy will remain high. However, the US is not in a position to meet the same for it has been facing a recession since 2007 and has only recently started its economic recovery. Committing the US at this critical juncture to another war would definitely erode the recovery. Thus, Obama was hesitant to pursue a risky venture in Libya.

That prevents nuclear war.

Khalizad 95 (Zalmay, "Losing the Moment?", Washington Quarterly, spring, p. lexis, AD 7/7/11) AV

Under the third option, the United States would seek to retain global leadership and to preclude the rise of a global rival or a return to multipolarity for the indefinite future. On balance, this is the best long-term guiding principle and vision. Such a vision is desirable not as an end in itself, but because a world in which the United States exercises leadership would have tremendous advantages. First, the global environment would be more open and more receptive to American values -- democracy, free markets, and the rule of law. Second, such a world would have a better chance of dealing cooperatively with the world's major problems, such as nuclear proliferation, threats of regional hegemony by renegade states, and low-level conflicts. Finally, U.S. leadership would help preclude the rise of another hostile global rival, enabl[e] the United States and the world to avoid another global cold or hot war and all the attendant dangers, including a **global nuclear exchange**. U.S. leadership would therefore be more conducive to global stability than a bipolar or a multipolar balance of power system.

Link - Oil Key to Libya Econ

Oil is the fuel behind Libya's economy - it accounts for 93% of government revenue and finances job creation.

Goodland 8 (Robert, advisor to the Environment Department of the World Bank and a writer on tropical ecology, "How Libya could become environmentally sustainable." http://www.goodlandrobert.com/libyanstudies08.pdf, AD 7/7/11) AV

Conservation of energy: oil, gas and renewables As the mainstay of the Libyan economy the hydrocarbon sector – oil and gas – contributes more than 72% of the GDP in nominal terms, 94% of export earnings, and 93% of government revenues (World Bank 2006b). Libya has low production costs (down to US$1 per barrel in places), oil of high quality, proximity to European markets, well-developed infrastructure and vast unexplored reserves. The amount of exploitable hydrocarbons remaining is not known with any precision, as much crucial planning would be based on that estimate. Proven reserves, the largest in Africa, will last for at least 20 years, or 60 years at current production rates. Libya has major potential to increase the production and export of hydrocarbons. Oil production is constrained primarily by lack of upstream investment. The revenues from increased production and export of oil and gas could ﬁnance job creation, thus reducing the 25% unemployment rate. Libya has approximately 1.13 trillion cubic metres (Tm³) of proven gas reserves; this is expected to rise to approximately 1.98 Tm³ as gas reserves have been less explored than oil reserves. Production exceeds 42.5 Mm³ per day of gas; 50% is sold, 30% re-injected, 15% ﬂared and 5% used in-ﬁeld. Libya’s 595 km submarine Greenstream gas pipeline to Italy exports up to 8 Gm³ per year. Greenstream’s capacity can be boosted to 10.9 Gm³ annually from its current 7.93 Gm³.

Libya's economy is dependent on its oil and petroleum products - they make up all export earnings and over half of Libya's GDP.

Economy Watch 11 ("Libya Industry Sectors." July, http://www.economywatch.com/world\_economy/libya/industry-sector-industries.html, AD 7/7/11) AV

Libya’s economy is dependent on revenues from crude oil, refined petroleum products, natural gas and chemicals which makes up all export earnings and over half Libya’s GDP. In 2010 petroleum exports totaled $33.97 billion, and account for 95 percent of export revenue earnings and 50 percent of GDP. Libya is an OPEC member and holds the largest proven oil reserves in Africa holding 43.66 billion barrels according to 2010 estimates. 80 percent of these reserves are located in the Sirte Basin, responsible for 90 percent of Libyan oil output. With a population of only 6.459 million, oil revenues have given Libya the highest nominal per capita GDP in Africa. In 2010 alone, Libyan GDP grew 10.637 percent. With the uprising, civil war, sanctions and UN-backed bombings stopping two-thirds of oil production, pretty much all its exports and most other trade, we can expect a sharp drop in 2011 GDP.

Oil revenue is key to Libya's economy - rebellion proves.

ToM 11 (Times of Malta, " Libya 'will direct oil to friends'." March 19th, http://www.timesofmalta.com/articles/view/20110319/local/libya-will-direct-oil-to-friends.355544, AD 7/7/11) AV

During the rebellion, Libya has gone from a promising economy with the largest proven oil reserves in Africa to a country in turmoil. The foreign workers who underpinned the oil industry have fled, oil production and exports have all but stopped, and the country's currency has dropped 30% in two weeks. Ghanim acknowledged that production had dropped to less then 400,000 barrels a day from 1.7 million barrels a day because foreign experts had fled and oil fields had been looted. He said most oil fields had been "restored" and that he had been in touch with foreign oil companies to convince them to send their experts back to Libya. "We are still considering all our contracts and agreements with the oil companies valid," he said. "We hope from their part that they will honour their agreements, that they will send back their experts and their people to work." Should these companies balk, however, Libya would seek labour elsewhere, he said. "If the work force is not coming, if the experts are not coming, we are of course in talks with other people to bring staff," he said, suggesting that labour could come from China, India or Brazil. The rebels still hold much of eastern Libya, home to most of the country's oil reserves. Oil prices slid after the ceasefire announcement, plunging about 2.50 US dollars (£1.50) in the first 15 minutes of New York trading. They were down slightly for the week, settling at 101.07 US dollars (£62) per barrel on the New York Mercantile Exchange.

I/L - Overstrech k2 heg

And overstretch destroys heg – it collapses deterrence, recruiting and retention and provokes challenges against the U.S.

Perry and Flournoy 6 (William J Perry, Former Secretary of Defense, and Michele A. Flournoy, Senior Fellow at the Center for Strategic and International Studies, National Defense, “The US Military: Under Strain And At Risk,” – National Defense, May, http://www.nationaldefensemagazine.org/issues/2006/may/TheU.S.MilitaryUnder.htm, AD 7/7/11) AV

If recruiting trends do not improve during the next year, the Army, both active and reserve, will experience great difficulties.Fewer than needed recruits and first-term re-enlistees could result in a significant “hollowing” and imbalance in the Army. There is already a deficit of some 18,000 personnel in the Army’s junior enlisted grades. Even if it meets its recruiting and retention goals, the Army is expected to be short some 30,000 soldiers — not including stop loss — by the end of fiscal 2006. The all-volunteer force is now in historically uncharted waters — fighting a protracted conflict with volunteers rather than draftees. What will happen if the current surge for Iraq becomes the steady state, and the Army and Marines are not resourced with the people, units and equipment they need for a long-term fight? When will the dedication and sacrifice of our troops run up against the needs of families and communities? Will they vote with their feet? Most of our active duty military has chosen to stay in the force after one or even two tours, but it is reasonable to fear that after a third year-long deployment in a compressed period, many will choose to leave the force. Many senior military officers who lived through the Vietnam era and its aftermath believe that if significant numbers of senior non-commissioned officers and field grade commanders begin to leave the force, this could set off a mass exodus and lead to a “hollowing out” of the Army. Meanwhile, the United States has only limited ground forces ready to respond to contingencies outside the Afghan and Iraqi theaters. As a global power with global interests, the United States must be able to deal with challenges in multiple regions of the world simultaneously. If the Army were ordered to send significant forces to another crisis today, its only option would be to deploy units at readiness levels far below what operational plans would require. As stated rather blandly in one Defense Department presentation, the Army “continues to accept risk” in its ability to respond to crises on the Korean Peninsula and elsewhere. **The absence of a credible, sizable strategic reserve increases the risk** **that potential adversaries will be tempted to challenge the U**nited **S**tates. Although the United States can still deploy air, naval, and other more specialized assets to deter or respond to aggression, the visible overextension of our ground forces could weaken our ability to deter aggression.

\*\*\*Egypt Oil DA\*\*\*

1NC - Egypt Oil

Oil exports are central to the Egyptian economy

Economy watch 11 ("Egypt Trade, Exports and Imports." July, http://www.economywatch.com/world\_economy/egypt/export-import.html. AD 7/5/11) AV

Oil export is central to the Egyptian economy. Egypt produces 630,600 barrels of oil a day, and exports 155,200 barrels per day, approximately. However, the country has huge oil reserves, 37 billion barrels proven and potentially more in uncharted areas, which can act as fuel for the economy for coming decades. Apart from crude oil and petroleum products, the country also exports metal products, cotton, textiles and chemicals. Before World War II, cotton made up 90% of Egypt's exports, while cotton textiles had grown to 16% of exports by 1970. By 1985, however, oil had come to dominate trade, making up around 80% of exports. EU and the US are the biggest exporting markets for Egyptian oil and other products. Italy has the largest share of the Egyptian export pie, accounting for 9.4% of the total volume. It is followed by the US (7.1%), India (6.2%), Spain (6.1%), Syria (5.5%), Saudia Arabia (4.6%), Japan (4.5%) and Germany (4.5%).

Egyptian economic collapse causes radical takeover - ensures Middle East conflict and global economic collapse.

Shelter 11 (Dave, senior editor of shelter101, " Egypt Crisis Just Tip of Iceberg to Economic Collapse." February, http://www.shelter101.com/egypt-crisis-just-tip-of-iceberg-to-economic-collapse.html, AD 7/7/11) AV

The protesting and rioting has brought on looting which in turn has shut most of Egypt's business down. This includes food imports and food production. The more people protest, the more the crisis feeds on itself and gets worse. Very soon people will begin to starve, fights will break out over a loaf of bread, Egypt is doomed to internal destruction We are seeing countries joining protest such as Jordan, Yemen, the Sudan and even a few sparks in Saudi Arabia. This situation has all the ingredients to turn into a Middle East fire storm, that will burn out of control. We are witnessing the the tip of the iceberg. Israel is becoming very nervous since radical Islam has taken a big interest in the Egyptian crisis. If radical Islam takes control of Egypt, Israel will be surrounded by enemies. This has been a vested interested of Iran's true ruler Ayatollah Ali Khamenei, who is the supreme power in Iran. Mahmoud Ahmadinejad is the president of Iran, but Khamenei is the true ruler, and he has come out to express his interest in uniting the entire Middle East under Sharia Law of Islam. Surrounded by Syria, Jordan, and Egypt, Israel could find itself battling the entire Middle East for its existence. The Obama administration has shown little interest in defending Israel. If cornered, Israel may be forced into using the “nuclear option” for defense. I need not explain the results of this potential scenario, except the fact, not one drop of oil will flow from the middle east. The United States without oil will just shut down. Inflation will soar 400% overnight. You will wake up and find the store shelves empty, with no deliveries to restock them. Gasoline will be $13 a gallon, if you can find it. Government services in the United States do not run without oil. No snow plows, fire trucks, or police cars. Remaining oil reserves will be locked down by the federal government for use by the military. People on welfare will hit the streets looking for food, and they will kill you to get it. You will be standing there empty handed watching the life you once knew become extinct, unless you prepare now.

Middle Eastern conflict escalates and result in extinction.

Ferguson 7 (Niall, a British historian who specialises in financial and economic history, "Should we Simply Ignore the Mideast." June, http://www.kurdnas.com/en/index2.php?option=com\_content&do\_pdf=1&id=53, AD 7/7/11) AV

As I said, there's no shortage of division in the Middle East. But who gets to rule is less clear. For some time I have been warning that the next great global conflict will begin in the Middle East, just as the two world wars had their origins in Eastern Europe. The lethal combination of ethnic disintegration, economic volatility and an empire in decline (in this case, the U.S.) makes an upward spiral of violence hard to avoid. Add to that the demographic pressures caused by high Muslim birthrates, the money generated by vast deposits of oil and natural gas and the risk that the most revolutionary power in the region will soon possess nuclear weapons — and you have a recipe for Armageddon.

Oil Key to Egypt Econ

Oil is Egypt's primary export - key to revenue.

EoN 11 (Encyclopedia of Nations, "Egypt." http://www.nationsencyclopedia.com/economies/Africa/Egypt.html, AD 7/7/11) AV

Despite declining production, however, oil remains a significant source of government revenue and export earnings. The decline in crude oil exports in recent years has been mainly due to rising domestic demand and depressed world oil prices in 1998. As a result, crude oil exports, which accounted for 55 percent of overall export earnings in 1992-93, accounted for only one-quarter of overall export earnings in 1998-99. Most oil production is concentrated in the Gulf of Suez, which produces 79 percent of Egypt's oil. Oil exploration activity is also taking place in the Western Desert near the Libyan border, offshore in the Mediterranean, and in the Sinai Desert. Unlike their neighboring Arab countries, where the state maintains full control of the oil industry, Egypt's oil production is dominated by foreign companies, working in conjunction with the state-owned Egyptian General Petroleum Corporation. The bulk of oil exploration activity is undertaken by large foreign companies, mainly British Petroleum and the Italian company AGIP. In recent years, the government has awarded exploration rights to a number of small local companies, but their presence is minimal in comparison to the foreign giants. According to the EIU Country Profile for 2000-01, Egypt is one of the largest producers of refined oil goods in Africa, producing 35 million tons of refined goods annually. Refineries are based in Suez and Sidi Keir. Output in the sector has increased since 1994, when the private sector was allowed to enter the refineries business. In addition to the extraction of crude oil, Egypt has natural gas reserves estimated at 45 trillion cubic feet, while potential reserves were estimated at a further 75 trillion cubic feet in year 2000. So as to increase oil exports, the government has adopted a policy of promoting the use of natural gas for domestic consumption. Gas production is mostly concentrated in the Nile delta region and the Western Desert, and is mostly used for power generation. Natural gas production is expected to rise in the coming years as the government concludes several agreements with its neighbors, mainly Israel, Jordan, and the Palestinian Authority. In July 2000, the government signed an agreement with the Spanish electricity company Union Fenosa to supply almost 25 percent of Spain's annual natural gas consumption.

\*\*\*Iran Oil DA\*\*\*

1NC – Iran Oil (1/2)

A transition from oil would destroy all of Iran's export revenues - ensures Iranian economic collapse which leads to Iranian aggression.

Goldman 7 (David Goldman , A.K.A Spengler, Economist and senior editor of First Things financial blog, Asia Times, “Why Iran will fight, not compromise.” May, http://www.atimes.com/atimes/Middle\_East/IE30Ak03.html, AD 7/7/11) AV

Iran's prospective demographic implosion, I have argued for two years, pushes Tehran toward imperial expansion. [1] It is difficult to see a way out for Persia's pocket empire; the country exports nothing but oil, carpets and dried fruit (excluding the growing human traffic in Persian women), and manufactures nothing the world will buy. Its most pressing problem, unemployment among the 60% of its population now under the age of 30, will turn into a much worse problem as this generation ages. In two decades Iran will have half as many soldiers and twice as many pensioners. If a future catastrophe is inevitable, its impact has a way of leaping back into the present. Monetary disorder of the magnitude we now observe suggests an internal collapse of confidence. What strategic consequences ensue from Iran's economic misery? Broadly speaking, the choices are two. In the most benign scenario, Iran's clerical establishment will emulate the Soviet Union of 1987, when then-prime minister Mikhail Gorbachev acknowledged that communism had led Russia to the brink of ruin in the face of vibrant economic growth among the United States and its allies. Russia no longer had the resources to sustain an arms race with the US, and broke down under the pressure of America's military buildup. The second choice is an imperial adventure. In fact, Iran is engaged in such an adventure, funding and arming Shi'ite allies from Basra to Beirut, and creating clients selectively among such Sunnis as Hamas in Palestine. I continue to predict that Iran will gamble on adventure rather than go the way of Gorbachev. A fundamental difference in sociology distinguishes Iran from the Soviet Union at the cusp of the Cold War. Josef Stalin's terror saw to it that the only communist true believers left alive were lecturing at Western universities. All the communists in Russia were dead or in the gulags. By the 1980s, only the most cowardly, self-seeking, unprincipled careerists had survived to hold positions of seniority in the communist establishment. Only in the security services were a few hard and dedicated men still active, including Vladimir Putin. These were men who saw no reason to fight for communism 70 years after the Russian Revolution. Iran, however, is not 70 years away from its revolution, but fewer than 30 years away. Ahmadinejad typifies the generation of Revolutionary Guards who followed the ayatollah Ruhollah Khomeini in 1979, and now hold senior positions in the state and military.

Iranian aggression causes numerous conflicts and arms races in the Middle East

Charbel 10 (Bechara Nassar, taught @ American University @Beruit, Middle East Online, http://www.middle-east-online.com/english/opinion/?id=39390, AD 7/7/11) AV

Second, we are confronted with Iranian hegemony over the region. With its nuclear program, Iran could be encouraged to follow a more hard-line and active foreign policy in the region. From observation, it has become evident that the Islamic Republic has gained place in new negotiations in the region—ranging from Iraq, Palestine, Lebanon and Syria, because of its large presence in the Arab region, through its alliances with Hezbollah and Hamas in Damascus. It has gained this influence at the expense of the role of Gulf countries—especially Saudi Arabia—that always played an influential role in the process of forming Middle East policies. There is also the likelihood of a military strike. In case a military strike is carried out against Iran, Gulf countries in alliance with the United States would find themselves at the forefront of this conflict because of the presence of military bases on their lands. In addition, there is concern for oil security, which is the main artery for Gulf countries. In this regard, recent exercises by Iranian Revolutionary Guards in the Arab Gulf and Strait of Hormuz deserve to be noticed. In addition to direct threat of war or sanctions on Iran, the above-mentioned reasons could also lead to a scenario of an escalation in arms race in the Gulf. However, it is not farfetched that a nuclear race ensues, if Iran is able to continue with its nuclear project due to lack of international resolve and its exceptional capabilities in negotiating to the very brink of the abyss. A nuclear race of this kind would drain the potential of Gulf Arab countries and Iran alike. It will impede development in countries, where most of the population is young and in need of jobs. It will pit the region in the face a dangerous sectarian division that would make the mission of the moderate forces impossible and would make the calls for dialogue futile and useless.

1NC – Iran Oil (2/2)

The impact is extinction

Bosco 6 (David, Senior Editor at Foreign Policy Magazine, “Could This Be the Start of World War III?” http://pqasb.pqarchiver.com/latimes/access/1081680701.html?dids=1081680701:1081680701&FMT=ABS&FMTS=ABS:FT&type=current&date=Jul+23%2C+2006&author=David+Bosco&pub=Los+Angeles+Times&edition=&startpage=M.1&desc=ARMAGEDDON, AD 7/7/11) AV

Could This Be The Start Of World War III? As the Middle East erupts, there are plenty of scenarios for global conflagration. By David Bosco It was late June in Sarajevo when Gavrilo Princip shot Archduke Franz Ferdinand and his wife. After emptying his revolver, the young Serb nationalist jumped into the shallow river that runs through the city and was quickly seized. But the events he set in motion could not be so easily restrained. Two months later, Europe was at war. The understanding that small but violent acts can spark global conflagration is etched into the world's consciousness. The reverberations from Princip's shots in the summer of 1914 ultimately took the lives of more than 10 million people, shattered four empires and dragged more than two dozen countries into war. This hot summer, as the world watches the violence in the Middle East, the awareness of peace's fragility is particularly acute. The bloodshed in Lebanon appears to be part of a broader upsurge in unrest. Iraq is suffering through one of its bloodiest months since the U.S.-led invasion in 2003. Taliban militants are burning schools and attacking villages in southern Afghanistan as the United States and NATO struggle to defend that country's fragile government. Nuclear-armed India is still cleaning up the wreckage from a large terrorist attack in which it suspects militants from rival Pakistan. The world is awash in weapons, North Korea and Iran are developing nuclear capabilities, and long-range missile technology is spreading like a virus. Some see the start of a global conflict. "We're in the early stages of what I would describe as the Third World War," former House Speaker Newt Gingrich said last week. Certain religious websites are abuzz with talk of Armageddon. There may be as much hyperbole as prophecy in the forecasts for world war. But it's not hard to conjure ways that today's hot spots could ignite. Consider the following scenarios: Targeting Iran: As Israeli troops seek out and destroy Hezbollah forces in southern Lebanon, intelligence officials spot a shipment of longer-range Iranian missiles heading for Lebanon. The Israeli government decides to strike the convoy and Iranian nuclear facilities simultaneously. After Iran has recovered from the shock, Revolutionary Guards surging across the border into Iraq, bent on striking Israel's American allies. Governments in Syria, Jordan, Egypt and Saudi Arabia face violent street protests demanding retribution against Israel — and they eventually yield, triggering a major regional war.

Iran Link – Alt Energy

Alternative Energy causes a sharp decline in oil prices which collapses the Iranian Economy

Friedman 7 (Thomas L, Columnist for The New York Times specializing in foreign affairs, “Iran's great weakness may be its oil,” San Diego Union Tribune, <http://www.signonsandiego.com/uniontrib/20070203/news_lz1e3friedman.html>, AD 7/7/11) AV

MOSCOW – There may be only one thing dumber than getting addicted to consuming oil as a country – and that is getting addicted to selling it. Because getting addicted to selling oil can make your country really stupid, and if the price of oil suddenly drops, it can make your people really revolutionary. That's the real story of the rise and fall of the Soviet Union – it overdosed on oil – and it could end up being the real story of Iran, if we're smart. It is hard to come to Moscow and not notice what the last five years of high oil prices have done for middle-class consumption here. Five years ago, it took me 35 minutes to drive from the Kremlin to Moscow's airport. On Monday, it took me two and a half hours. There was one long traffic jam from central Moscow to the airport, because a city built for 30,000 cars, which 10 years ago had 300,000 cars, today has 3 million cars and a ring of new suburbs. How Russia deals with its oil and gas windfall is going to be a huge issue. But today I'd like to focus on how the Soviet Union was killed, in part, by its addiction to oil, and on how we might get leverage with Iran, based on its own addiction. Economists have long studied this phenomenon, but I got focused on it here in Moscow after chatting with Vladimir Mau, the president of Russia's Academy of National Economy. I mentioned to him that surely the Soviet Union died because oil fell to $10 a barrel shortly after Mikhail Gorbachev took office, not because of anything Ronald Reagan did. Actually, Mau said, it was “high oil prices” that killed the Soviet Union. The sharp rise in oil prices in the 1970s deluded the Kremlin into overextending subsidies at home and invading Afghanistan abroad – and then the collapse in prices in the '80s helped bring down the overextended empire. Here's the story: The inefficient Soviet economy survived in its early decades, Mau explained, thanks to cheap agriculture, from peasants forced into collective farms, and cheap prison labor, used to erect state industries. Beginning in the 1960s, however, even these cheap inputs weren't enough, and the Kremlin had to start importing, rather than exporting, grain. Things could have come unstuck then. But the 1973 Arab oil embargo and the sharp upsurge in oil prices – Russia was the world's second-largest producer after Saudi Arabia – gave the Soviet Union a 15-year lease on life from a third source of cheap resources: “oil and gas,” Mau said. The oil windfall gave the Brezhnev government “money to buy the support of different interest groups, like the agrarians, import some goods and buy off the military-industrial complex,” he said. “The share of oil in total exports went from 10-to-15 percent to 40 percent.” This made the Soviet Union only more sclerotic. “The more oil you have, the less policy you need,” he noted. In the 1970s, Russia exported oil and gas and “used this money to import food, consumer goods and machines for extracting oil and gas,” Mau said. By the early 1980s, though, oil prices had started to sink – thanks in part to conservation efforts by the United States. “One alternative for the Soviets was to decrease consumption, but the Kremlin couldn't do that – it had been buying off all these constituencies,” Mau explained. So “it started borrowing from abroad, using the money mostly for consumption and subsidies, to maintain popularity and stability.” Oil prices and production kept falling as Gorbachev tried reforming communism, but by then it was too late. The parallel with Iran, Mau said, is that the shah used Iran's oil windfall after 1973 to push major modernization onto a still traditional Iranian society. The social backlash produced the ayatollahs of 1979. The ayatollahs used Iran's oil windfall to lock themselves into power. In 2005, Bloomberg.com reported, Iran's government earned $44.6 billion from oil and spent $25 billion on subsidies – for housing, jobs, food and 34-cents-a-gallon gasoline – to buy off interest groups. Iran's current populist president has further increased the goods and services being subsidized. So if oil prices fall sharply again, Iran's regime would have to take away many benefits from many Iranians, as the Soviets had to do. For a regime already unpopular with many of its people, that could cause all kinds of problems and give rise to an Ayatollah Gorbachev. We know how that ends. “Just look at the history of the Soviet Union,” Mau said. In short, the best tool we have for curbing Iran's influence is not containment or engagement, but getting the price of oil down in the long term with conservation and an alternative-energy strategy. Let's exploit Iran's oil addiction by ending ours.

Oil Key to Iran Econ

Iran's economy relies on oil export revenues.

Yetiv and Feld 7 (Steve, poli sci prof at Old Dominion U, and Lowell, sr oil market analyst at US EIA, “America's Oil Market Power: The Unused Weapon Against Iran." Fall, http://findarticles.com/p/articles/mi\_hb6669/is\_3\_24/ai\_n29403801/?tag=mantle\_skin;content, AD 7/7/11) AV

Iran's economy relies overwhelmingly on oil export revenues. Some 80-90 percent of total export earnings and 40-50 percent of the government budget come from oil. And Tehran spends around $25 billion per year, or roughly 15 percent of the country's gross domestic product, on heating oil and energy subsidies. Despite higher oil revenues, Iranian budget deficits remain a chronic problem, in large part due to these subsidies. As a result, Iran has been forced to dip into its Oil Stabilization Fund, which was established in 2000 primarily as a tool for protecting the Iranian economy in the event of an oil price collapse. Instead, high oil prices have encouraged the regime to pamper--some might say "buy off"--its population, causing a sense of entitlement and expectation. If oil prices dropped significantly, the mullahs might suffer greatly as an extremely young and rapidly growing population saw its per capita oil revenues--along with subsidies on fuel, food, and almost everything else--plummet. In constant 2005 dollars, per capita oil revenues in Iran were nearly $1,900 in 1976, the peak year. Today, Iran earns just $700 per person, only 37 percent of 1976 levels, without even allowing for inflation, due in large part to the country's rapid population growth. (14) What might happen if Iran's per capita oil export revenues fell to $172 per person, as they were in 1998, or even lower? If these subsidies were to dry up, reality could very well clash with expectations. That is a recipe for political change, and possibly disaster, for Iran's mullahs. It is highly likely that they know this. In fact, President Mahmoud Ahmadinejad ran on a platform of bringing economic benefits to Iran's masses.

Impact - Iranian Aggression

An aggressive Iran destabilizes the region and creates multiple scenarios for war and a nuclear arms race

Rachman 6 (Gideon, chief foreign affairs columnist for the Financial Times, journalist at Financial Times, November 14, 2006 http://blogs.ft.com/rachmanblog/2006/11/dangers-of-iranhtml/, AD 7/7/11) AV

This is what he really said: “In my opinion we are heading into really dark times,” with a momentum towards further wars that he regards as “unstoppable”. He sees the major destabilising force in the region as an expansionist and over-confident Iran, that is bidding for regional dominance. In his opinion the war in Lebanon over the summer was the “first Israel-Iran war in all but name.” He believes that there will be further Iranian-Israeli wars – perhaps next year. The Iranians and Syrians he believes are very confident at the moment, since they regard the Lebanese war as a major setback for Israel. He is one of those who believes that Hizbollah unleashed the fighting, more or less on the direct orders of Tehran. Under pressure because of their nuclear plans, “the Iranians wanted to show that they could destabilise the region just like that”. The Iranians are also using their nuclear programme to further their regional ambitions. A regional nuclear arms race is already beginning.My interlocutor has met President Ahmadi-Nejad and describes him as “truly scary”. He adds that he is used to dealing with populist Arab leaders, “but when you talk to them in private, they are usually quite reasonable and rational. Ahmadi-Nejad is not like that.” His impression is that Ahmadi-Nejad is now calling the shots in Iran, and has intimidated the moderates into silence: “They are all scared of him.”He believes that Iran is currently stirring up trouble in many different areas including Lebanon, the Israeli occupied territories and Iraq. Iraq he believes is becoming the “arena for a regional power struggle”, pitting Sunnis against Shia. The Sunni Arab states see themselves as engaged in an ancient struggle with the Persians for dominance of the region. Syria has become detached from its natural Arab allies and is now firmly in the Iranian camp. But it is also the “weak link” in the Iranian alliance and can expect to come under enormous pressure as a result.As for the moderate Arab states – the Saudis, the Jordanians and the Egyptians – “they have all told me they expect this to end in war”. They are also much more concerned about Iran than Israel, because “they know that Israel is not really an expansionist power”. Indeed the moderate Arab states would like to form a de facto alliance with Israel to contain Iran – but opinion on the “Arab street” prevents them from doing it.

Impact - Israel Strikes

Expansion of Iranian aggression leads to Israeil air strikes – Ahmadinajed threats and Hizbollah funding

Atlas 6 (Pierre, asst. prof of Poli Sci @ Franciscan Center for Global Studies @ Marian College, 10/31/6, http://www.realclearpolitics.com/articles/2006/10/are\_israel\_and\_iran\_on\_a\_colli.html, AD 7/7/11) AV

The Israel-Hezbollah conflict is on temporary hold, but the issues that led to war this summer have not been resolved. Iran continues to be the primary external source of arms, training, and ideological inspiration for Hezbollah, Lebanon's Shiite Islamist guerrilla force. Should Israel launch a pre-emptive strike against Iran's nuclear facilities, Iran might use Hezbollah to create a "second front" by restarting the Lebanon war--with devastating consequences for Israeli and Lebanese civilians. The Iranians have stated repeatedly that their uranium enrichment program is for peaceful purposes only. But their refusal to allow IAEA inspections (as called for in the Nuclear Non-Proliferation Treaty, which Iran signed) and their rejection of reasonable alternatives offered by the European Union and Russia have convinced many in the international community that Iran's nuclear ambitions are strategic. The Islamic Republic of Iran has long sought to become a major player in the region. According to Dr. Uzi Rabbi, a senior researcher at Tel Aviv University's Center for Iranian Studies, "nuclear power is but a tool by which to turn Iran into a hegemonic power." This week, an Iranian news organization announced that the Islamic Republic has started a second cascade of centrifuges, and Iranian President Mahmoud Ahmadinejad brazenly declared that "today, the [nuclear] capability of our nation has multiplied tenfold over the same period last year." Iran's nuclear ambitions make the words of its president sound all the more ominous, especially to Israel. Ahmadinejad has repeatedly declared that Israel does not have the right to exist and should be "wiped off the map." Israeli security experts and elected leaders view Iran as Israel's greatest existential threat, and the government is moving to address it. On the same day that Iran's president boasted of his country's nuclear progress, Israeli Prime Minister Ehud Olmert announced that the Russian immigrant party Israel Beiteinu, led by ultra-right winger Avigdor Lieberman, would be joining the governing coalition. Lieberman's 11 Knesset seats will shore up Olmert's government, weakened and shaken by the Lebanon war. In exchange, Lieberman--a man with no experience in military or strategic planning--has been appointed Deputy Prime Minister and Minister of Strategic Affairs, assigned to direct Israel's response to Iran.

Extinction

Ivashov 7 (Leonid Ivashov, analyst at the Strategic Culture Foundation, 4/21/2007, "Iran: the Threat of a Nuclear War," http://www.megachip.info/modules.php?name=Sections&op=viewarticle&artid=3871, AD 7/7/11) AV

What might cause the force major event of the required scale? Everything seems to indicate that Israel will be sacrificed. Its involvement in a war with Iran - especially in a nuclear war - is bound to trigger a global catastrophe. The statehoods of Israel and Iran are based on the countries' official religions. A military conflict between Israel and Iran will immediately evolve into a International one, a conflict between Judaism and Islam. Due to the presence of numerous Jewish and Muslim populations in the developed countries, this would make a global bloodbath inevitable. All of the active forces of most of the countries of the world would end up fighting, with almost no room for neutrality left. Judging by the increasingly massive acquisitions of the residential housing for the Israeli citizens, especially in Russia and Ukraine , a lot of people already have an idea of what the future holds. However, it is hard to imagine a quiet heaven where one might hide from the coming doom. Forecasts of the territorial distribution of the fighting, the quantities and the efficiency of the armaments involved, the profound character of the underlying roots of the conflict and the severity of the International strife all leave no doubt that this clash will be in all respects much more nightmarish than WWII.

Impact – Iran Prolif

Iran proliferation goes global and nuclear

Wimbush and Ford 10 (S. Enders Wimbush, Senior Vice President for International Programs and Policy at Hudson Institute, and Christopher A. Ford, senior fellow and director of the Center for Technology and Global Security at Hudson Institute, 1-14-10, Hudson Institute, Perspectives Upon a Nuclear Iran, AD 7/7/11) AV

Possession of nuclear arms may well encourage the clerical regime’s worst instincts for regional provocation by seeming to remove the threat of possible outside intervention, and could catalyze further nuclear weapons proliferation among Iran’s frightened neighbors. We may debate if Iran’s ultimate ambitions should be understood as fundamentally “Persian” or fundamentally “revolutionary” — that is, whether Tehran is likely to wish only for some kind of regional hegemony or rather for a more sweeping vanguard role in regional or global Islamic revolution. Clearly a lot will depend on who ends up in charge of Iran’s new capabilities. That said, there seems to be little difference in nuclear policy between the radicalized clique that runs the current government and the somewhat more democratically minded “moderates” now being persecuted for having done too well at the polls last summer. (Although it has been reported that some of the pro-democracy demonstrators currently being abused or simply murdered in the streets by security forces have begun chanting “Death to Russia” and “Death to China” in apparent reference to those countries’ use of UN Security Council veto threats to protect the Iranian regime from accountability for its nuclear lawlessness.) Conventional wisdom insists that Iran’s neighbors will recoil from a nuclear Iran and that some of them will likely build their own nuclear arsenals. This is indeed a possibility; the list of potential candidates would certainly include Saudi Arabia, Turkey, Syria, Egypt, and conceivably even Iraq, perhaps through the acquisition of “peaceful” nuclear programs that can later be turned to other purposes. Yet it is not a given that Iran’s neighbors will form anti-Iranian coalitions or otherwise overtly seek to balance its growing power. Some may choose to “bandwagon” with Iran — that is, to collaborate in ways that link Iran’s nuclear accomplishments to their own objectives. The presence or absence of a continued U.S. role in the Middle East will be a critical factor in how such regional dynamics develop. An America that remains active and engaged will have a powerful ability to influence the degree to which Iran’s nuclear empowerment is destabilizing. An America that withdraws from engagement — whether out of moralistic disdain for power politics, fear of Iranian nuclear weapons, financial insolvency in this era of trillion-dollar federal budget deficits, or simply from strategic fatigue — will cede the field to others. Fundamentally, Iran would likely aspire to fill a post-American power vacuum itself, claiming the de facto regional hegemony that its proud but insecure sense of historical self seems to demand. Other outsiders, however, might end up playing important roles. Putin-era Russia, which is — not unlike Iran — a corrupt, grievance-nursing autocracy with revanchist dreams that imperil its neighbors’ security, clearly seeks to reacquire its strategic leverage in the Middle East, a historic focus of Russia’s foreign policy. Yet despite its ambitions, Russia is unlikely to possess sufficient capability to exercise great influence — though one should not entirely discount the Kremlin’s appetite for the kind of Middle Eastern troublemaking that would drive up oil prices with the aim of keeping the regime in Moscow afloat on a sea of petrodollars. China was more likely than Russia eventually to fill the role of outside player. This might take the form of a Sino-Persian condominium, in which Beijing steps in as a quasi-guarantor of Iranian hegemony in return for assured and preferential energy access, and global status as the new primus inter pares of the Great Powers. Alternatively, a Middle East destabilized as a result of Iran’s nuclear empowerment might draw in China, possibly even against its will, in order to forestall threats to the oil supplies upon which Beijing depends. If an exogenous power is needed to stabilize the region, and the United States has withdrawn, China might fill the vacuum. As Beijing continues to build a “blue water” navy increasingly capable of long-distance power projection while the U.S. Navy continues its precipitous decline — down from some 600 ships in the Reagan administration to well under 300 today, and projected to fewer than 200 in the next decade — this is by no means inconceivable as a mid-term scenario. India has a potential to be a powerful force in the region, either as the increasingly important strategic partner of an America determined to remain engaged in the Middle East, or as a potential balancer of some future Sino-Persian alliance, or both. Yet India today remains psychologically, politically, institutionally, and militarily unprepared for such a role. And if it doesn’t step into this role of its own accord, and develop the requisite military capabilities and political will that such a role requires, the promising Indo-U.S. strategic partnership is unlikely to take off; indeed, it may wither. Even if Iranian hegemony contains the seeds of its own demise, as seems increasingly apparent, a fragile or wounded Iran could be especially dangerous. Tehran’s rise to preeminence would exacerbate simmering tensions between Sunni and Shi’ite Muslims, a dynamic that would be worsened by national rivalries and insecurities, and by ethnic tensions between Persians and Arabs. Iranian hegemony would, therefore, face powerful centrifugal forces that could erode it over time, increasing the likelihood of eventual balancing (instead of bandwagoning) regional reactions even in the absence of a strong outside player. Nevertheless, the decay of Iran’s position — and indeed perhaps the clerical regime’s own internal decay, if today’s demonstrators are cowed into submission as the regime clearly intends — would take time, and might entail much instability. Such tensions could propel Iran into increasingly aggressive behavior to suppress regional resistance, distract from internal contradictions, and to build political legitimacy for its hegemony. It might also choose to claim a regional, or pan-Islamic, leadership role as the barrier against infidel encroachment. This dynamic could, of course, prove most problematic for Israel, but it would likely affect any outside power seeking to play a role in Middle Eastern affairs. If Iran is to have access to nuclear weapons as it tries to build and maintain regional hegemony — and then as it subsequently declines and perhaps disintegrates — the perilous stakes for everyone else will rise exponentially.

\*\*\*Aff Answers\*\*\*

Arab Spring Disproves Link

There is no impact to oil transition - MENA economies are empirically resilient.

The World Bank 11 (http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/MENAEXT/0,,print:Y~isCURL:Y~menuPK:247606~pagePK:146732~piPK:146828~theSitePK:256299,00.html, AD 7/7/11) AV

The protests and popular uprisings across many MENA countries are driven by fatigue with long-standing authoritarian rule. Citizens have articulated demands for a say, for social justice, accountability, access to services and a fair shot on a level economic playing field. The MENA region came into its Spring with many strengths too: its youth, its resource base and the economic resilience shown during the global crisis. Economies across the region were rebounding. Tunisia and Egypt had strong reserve cushions and had benefitted from tourism and foreign flows. The short-term economic impacts of the popular uprisings will be sharply felt but manageable if they can be confined to the short term.

Middle East revolutions prove oil is not necessary for the economy.

Wing 11 (Bob, longtime activist and the founding editor of ColorLines magazine and War, " The Arab Spring and the Changing Dynamics of Global Struggle."May 12th, http://beyondthechoir.org/diary/76/the-arab-spring-and-the-changing-dynamics-of-global-struggle, AD 7/7/11) AV

The Arab Spring is a turning point of global importance because oil has been central to world economic development and politics since WWII. Over that time, the U.S. has spared little expense or scruple to cobble together a reactionary alliance of Arab police states with Israel to safeguard its interests. The formation of OPEC in the 1960s and 1970s was a critical turning point in world economic history, but the West managed to reconstruct a web of power. Now the Arab people are disrupting that arrangement. Although the struggles are still intense and the outcomes not at all clear, the genie is out of the bottle for the old regimes. Some new level of democracy is likely in many of the countries, and that by itself is enough to disrupt the old straight up imperialist/authoritarian alliance. This has been duly noted by the Obama administration and outraged U.S. rightwing.

Oil Not Key to Economy – MENA General

No impact to oil transition - the U.S is taking initiatives to diversify MENA economies.

The White House 11 (Office of the Press Secretary, " Fact Sheet on Economic Support for Mideast and North Africa." May 18th, http://iipdigital.usembassy.gov/st/english/texttrans/2011/05/20110519083715su8.420306e-02.html#axzz1RY2hMA3b, AD 7/7/11) AV

Support for economic modernization. We realize that the modernization of the MENA economies will require a stronger private sector. To address that, we are committed to working with our international counterparts to support a reorientation of the European Bank for Reconstruction and Development to support countries in the region. That Bank played a crucial role in the democratization and economic transition in Central and Eastern Europe and can make a great contribution in MENA as well. The International Financial Corporation will scale up its investments to strengthen the private sector in transition countries. We also seek to establish Egyptian-American and Tunisian-American Enterprise Funds to stimulate private sector investment, to promote projects and procedures that support competitive markets, and to encourage public/private partnerships. And as Secretary Clinton announced in Cairo, the Overseas Private Investment Corporation will provide up to $2 billion dollars in financial support for private sectors throughout the MENA region. Develop a framework for trade integration and investment. If you take out oil exports, the MENA region of nearly 400 million people exports about the same amount of goods as does Switzerland, with less than 8 million people. Moreover, regional trade structures are poorly integrated, as MENA sourced just 13 percent of their imports from other countries in the region. Developing Asian countries, in contrast, sourced over 25 percent of their imports from regional partners. The United States will launch a comprehensive Trade and Investment Partnership Initiative in the Middle East and North Africa. We will work with the European Union as we launch step-by-step initiatives that will facilitate more robust trade within the region, build on existing agreements to promote greater integration with U.S. and European markets, and open the door for those countries who adopt high standards of reform and trade liberalization to construct a regional trade arrangement.

No impact to renewable energy transition - regional cooperation solves oil shocks.

PR Newswire 11 ("Middle East and North Africa (MENA) Region Faces Renewable Energy Challenges." February, http://www.prweb.com/releases/menabriefing/report/prweb5111334.htm, AD 7/7/11) AV

The MENA Renewable Energy Review (http://www.mena-briefing.com) concludes that to develop a viable renewable energy sector, MENA governments will need to take a number of critical steps, including: Develop a renewable energy strategy that positions the sector as a key element of the overall energy strategy; Put in place an adequate institutional setting at the government level; Develop a favorable policy and regulatory framework to promote the development and use of renewable energy; Enable technical grid integration; and, Develop long-term capabilities and a deep talent pool. With the competitive landscape in the renewable energy sector is still evolving, those countries acting promptly could eventually become global leaders in the fast-developing renewable energy sector. Jeremy Wilcox, Energy Partnership managing director and co-author of the review, added: “Many countries in the MENA region currently benefit from significant oil wealth, while a similar number have significant renewable resource potential. A policy of regional cooperation would provide the most efficient and cost effective transition toward a low carbon MENA economy. If countries with oil wealth invest in those countries that have the renewable resources, but lack the financial resources to realise this potential, then the region as a whole can benefit from a new sustainable energy future.”

Oil Not Key to Economy – MENA General

Oil price shocks won't have an effect on MENA economies - diversification measures have been taken to cushion the blow that would come from an oil collapse sector.

Kenworthy and Gordon 11 (Tim, Senior Fellow at American Progress, and Kate, Vice President for Energy Policy at American Progress, " Coal-Fired Conflict." http://www.americanprogress.org/issues/2011/04/coal\_exports.html, AD 7/7/11) AV

The decision to ramp up domestic coal mining for export has major consequences for the United States beyond the important environmental and health impacts on the communities near mines and rail transport lines. We have always been a resource-rich country but have long made the decision not to pursue a resource-extraction model of economic growth. In Canada and Australia, by way of contrast, the extraction of minerals and fuels—much of it for export—makes up 4.5 percent and 8 percent respectively of GDP. The major reason to avoid dependence on resource extraction is that countries that pursue this model tend to become much more vulnerable to price shocks in their major resource markets—think of oil in the Middle East, for instance. Keeping the economy diverse across a variety of sectors, on the other hand, helps cushion the blow that comes from the collapse of any one sector. This is why traditionally oil-dependent countries like Saudi Arabia, for instance, have begun investing more heavily in a broader range of technologies and industries in order to balance out their economies. In Saudi Arabia's case, new investments in solar technologies in particular also allow the country to use less of its oil for export, making oil resources last longer and weaning the country off its current complete dependence on this very volatile commodity.

Energy Shift Key to Econ

Declining oil export revenues are killing the Middle East economy - a shift to alternative energy provides necessary fuel to restore the economy

Friedman 11 (Lisa, an award winning journalist and the deputy editor of ClimateWire, NYTimes, " Middle East's Push Toward Renewable Energy Spurred by Rising Oil Prices." 6/21 http://www.nytimes.com/cwire/2011/06/21/21climatewire-middle-easts-push-toward-renewable-energy-sp-60886.html, AD 7/7/11) AV

That's something that energy experts say Saudi Arabia, in particular, is taking to heart. Kevin Book, managing director of research at Clearview Energy Partners, said for oil producers, "the motive goes beyond diversification." A decade ago, he said, Saudi Arabia used about 70,000 barrels per day for domestic power generation. Now it's about 130,000 barrels per day. "That's about $6.5 billion a year in lost sales revenue that could be going to export, and that number is going up," Book said. That makes the country's investment in alternative energy supplies a drop in the bucket. Atsuhiko Hirano, senior vice president of global marketing and power generation for Solar Frontier, based in Tokyo, is starting work on a 500-kilowatt solar power plant on Saudi Arabia's Farasan Island near Jeddah. The plant will be the first in the kingdom to be remotely installed and grid-connected, displacing 28,000 barrels of diesel in its life span. Hirano noted that the country's population is expected to double in the next decade. At the same time, the rest of the world is demanding more and more oil. "It is quite clear that [oil] is a precious natural resource, and it is the most important export resource that they have," Hirano said. "If they start using all that precious natural resource for powering their own demand ... well, the decision is, it is better used for exporting. They also realize they are hugely well-positioned in terms of abundant sunlight."

Alternative energy development spurs economic and technological competitiveness in the Middle East.

Friedman 11 (Lisa, an award winning journalist and the deputy editor of ClimateWire, Scientific American, " Can North Africa Light Up Europe with Solar Power?" June 20th, http://www.scientificamerican.com/article.cfm?id=can-north-africa-light-europe-solar-power&page=2, AD 7/7/11) AV

Europe, Miled said, could "gain 10 to 15 years in the fight against climate change" by importing solar energy from North Africa, as well as meet its renewable energy commitments. And supporters from the Middle East and North Africa said they see Desertec as a boon both for their nations' development and for their science, engineering and manufacturing communities. "It's not just a project which aims at putting solar farms and panels in the desert and exporting electricity. It's about building the seeds of science and technology in their own countries," said Khaled Toukan, Jordan's minister of energy and mineral resources. Maged Al-Sherbiny, president of the Egyptian Academy of Scientific Research and Technology, agreed, describing Desertec as "having very good potential for Egypt" and helping to build bridges between the north and south. "Now, with the surging prices of oil as well as the Fukushima incident ... it is time for solar energy," Al-Sherbiny said. "In the Mediterranean region, this is needed more than ever before, especially with the tsunamis of the revolutions there." Indeed, scientists throughout the region insisted that the so-called Arab Spring that began with revolutions in Tunisia and Egypt before turning violent in countries like Yemen and Syria will yield to strong democracies that will better enable projects like Desertec. "The Arab world needs a new narrative, a new dream. In many cases, the entire region is being fragmented by the national state models," said Odeh Al-Jayyousi, regional director of the International Union for Conservation of Nature in Jordan. "The Arab Spring is likely to inform a new discourse about rights-based natural resource management."

Energy Shift Key to Econ

A shift to alternative energy necessary to facilitate economic growth - rising demand and lower stocks of oil means export revenues are incredibly low now.

Risvi 11 (Muzaffar, Africanbusinessnews.com, " MENA renews focus on green tech." February, http://africabusiness.com/2011/02/12/mena-renews-focus-on-green-tech/, AD 7/7/11) AV

DUBAI — The Middle East and Africa region has excellent potential for the development of wind and solar energies, and the UAE is set to lead it by setting up projects based on renewable energy, a report said on Saturday. “There has been a strong political push to showcase the UAE as a leader in the renewable energy field. Abu Dhabi is planning to introduce a programme of subsidies for solar power projects. The Department of Economic Development has been working on a framework for a subsidy system since at least 2008,” according to alternate asset management company Al Masah Capital. The UAE aims to supply seven per cent of its electricity from renewable sources by 2020. Apart from the Masdar City project in Abu Dhabi, other emirates have also shifted its focus to renewable energy and some major announcements are expected in the near future. “In Dubai, feasibility studies are being undertaken for a $1 billion wind farm project, which may supply up to 10 per cent of Dubai city’s power in the future,” the report said, adding that the feasibility study for a 66 megawatts wind farm project in Fujairah has also been completed. In its latest report entitled “Unlocking the potential of alternative energy in the MENA region,” Al Masah Capital said the use of alternative energy has been critical to sustaining the economic growth of the Middle East and North Africa (MENA) region with a large-scale shift in its energy supplies becoming imperative in the face of rapidly rising local energy demand, which in itself cannot be met due to the imbalance created by oil and gas exports. “The region has to significantly bolster its energy efficiency and begin to harness power from commercially viable, scalable and efficient alternative sources and technologies to transform itself from complete oil dependency to a more balanced economy, which prominently features alternative fuels,” the report said. Alternative fuel development is gathering pace in the region in line with regional governments’ commitments to energy saving and fossil fuel consumption reduction. While the shift from fossil fuels to renewable energy will require the construction of wind, solar, nuclear and other green installations on a vast scale, significantly altering the face of the region, green energy mandates are bound to transform the region’s energy supply matrix in the near future.

Energy Shift Inevitable

MENA states are transitioning to clean energy now - rising oil prices and depleting reserves. Prefer recency.

Friedman 11 (Lisa, an award winning journalist and the deputy editor of ClimateWire, NYTimes, " Middle East's Push Toward Renewable Energy Spurred by Rising Oil Prices." 6/21 http://www.nytimes.com/cwire/2011/06/21/21climatewire-middle-easts-push-toward-renewable-energy-sp-60886.html, AD 7/7/11) AV

There's a revolution sweeping the Middle East that has nothing to do with street uprisings or Twitter protests. It's a clean energy upheaval with international implications that could transform the Arab world from North Africa to the Persian Gulf. Solar plants are cropping up in Jordan and Morocco. Wind farms are being built in Egypt and Tunisia. Eight Arab nations and the Palestinian territories have a renewable energy target, and at least five more are taking serious steps to promote the domestic use of clean energy. Some of the most surprising movement is happening in oil-rich countries like Saudi Arabia and Qatar. Perhaps taking a page from Masdar, the famous carbon-zero city in the United Arab Emirates, these countries are spending their petrodollars on a budding number of their own alternative energy projects. Climate change, by all accounts, is not the primary driver for this. While rising global temperatures threaten to reduce the availability of scarce water and to raise food prices in the Middle East, analysts say that prospect is overshadowed by present realities of their main export: oil. Rising oil prices and growing energy demands mean depleting reserves. Thus, there is a new need to diversify. Indeed, for some oil-producing nations like Saudi Arabia, several experts even compared the growing interest in domestic renewable energy use to a "Don't get high off your own supply" crack-dealer ethic. Nevertheless, many agreed, as financial possibilities for clean technology development expand, a green transformation is a distinct possibility for the Arab world.

A transition is guaranteed - renewable energy has massive potential in the middle east and MENA nations understand the negative consequences of climate change to the Middle East.

Friedman 11 (Lisa, an award winning journalist and the deputy editor of ClimateWire, NYTimes, " Middle East's Push Toward Renewable Energy Spurred by Rising Oil Prices." 6/21 http://www.nytimes.com/cwire/2011/06/21/21climatewire-middle-easts-push-toward-renewable-energy-sp-60886.html, AD 7/7/11) AV

"I see the region as being a real place where there will be a number of solar projects done, both in terms of solar fields, but also in terms of the use of solar technology in construction techniques and solar heating and water cooling facilities," said James Gede, a partner with Hogan Lovells who specializes in renewable energy work. "Ultimately, you're going to see, potentially, offshore wind," Gede said. "I think you're going to see wave technology; all sorts of the renewable energy technology that you see elsewhere around the world, you're going to see there." While climate change may not be the Arab world's motivation for clean energy use, many analysts said it is no coincidence that the interest in renewables developed alongside a greater understanding of the impacts of global warming in the Middle East. Mohamed El-Ashry, a senior fellow at the U.N. Foundation and a former chairman of the Global Environment Facility (GEF), said the threat of sea level rise in particular made an impression on governments in the region. A 2009 study produced by the Arab Forum for Environment and Development -- the first Arab-led report on climate change -- found that 41,500 square kilometers of coastal land in Egypt, Tunisia, Morocco, Algeria, Kuwait, Bahrain and the UAE could be lost with just a 1-meter sea level rise. With a 5-meter rise, the study found, Bahrain and Qatar could lose 13.4 percent and 6.9 percent, respectively, of their land. At the time of that report, the UAE was the shining -- and only -- example of significant emissions mitigation efforts in the Middle East. A review the authors conducted of 14 reports that countries are obligated to submit to the U.N. Framework Convention on Climate Change found that Arab nations "rarely included detailed assessments of past and/or ongoing mitigation projects or activities," and Saudi Arabia's report did not even contain a section on mitigation. And while some governments had researched their domestic wind and solar potential, only Egypt had imposed a firm target to increase the contribution of renewable energy to 20 percent by 2020.

Energy Shift Inevitable

The Middle East will inevitably transfer to renewable energy - shortage of oil and competitive economic incentives.

Reuters 11 ("Saudi Arabia eyes renewable energy shift to retain oil hold." February, http://www.hellenicshippingnews.com/index.php?option=com\_content&view=article&id=8961:saudi-arabia-eyes-renewable-energy-shift-to-retain-oil-hold-&catid=44:latest-news&Itemid=64, AD 7/7/11) AV

The world's leading oil exporter and custodian of more than 260 billion recoverable barrels — around a fifth of the world's stock — Saudi Arabia has long held sway over markets and governments with its ability to add or subtract crude at a turn of the spigots. It has repeatedly said the world will for decades to come need the fossil fuels that in the short term are by far the most profitable. Adding renewables to the mix, however, is both inevitable and pragmatic, analysts say, as soaring domestic energy use will burn huge amounts of fuel oil unless alternatives, such as solar power, can be used instead. "It's really a preservation decision using solar for domestic consumption and keeping your oil for more lucrative export markets," said Vahid Fotuhi, director, Middle East, of BP division BP Solar. Industry officials have predicted a tripling in Saudi power consumption to around 120 gigawatts by 2032 from around 40 gigawatts last year. That rate of expansion could consume all of the roughly eight million barrels per day (bpd) Saudi Arabia produces. "Right now, out of the eight million barrels per day they produce, over three million barrels per day are consumed domestically, mainly for power generation. That figure is growing eight per cent per annum," Fotuhi said. Unless it can develop renewables, Saudi Arabia could find itself with nothing to finance the national budget and with no spare capacity to be the world's supplier of last resort — a role that has long cemented its relationship with the biggest oil user the United States. Back in September 2009, Saudi Oil Minister Ali Al Nuaimi had already set the highly ambitious goal of matching oil output with solar power. Around eight million barrels of oil equivalent per day in solar energy would make it the world's leading solar power. Most liberal city "In the same way we are an oil exporter, we can also be an exporter of power," Al Nuaimi said at the time King Abdullah University of Science and Technology (KAUST) was inaugurated in the Red Sea port of Jeddah. The university, in the kingdom's most liberal and outward-looking city symbolises Saudi Arabia's plans to diversify not just into alternative energy, but into a knowledge-based economy.

Oil is just for the short-term - a transition to solar energy is inevitable in the long-term.

Reuters 11 ("Saudi Arabia eyes renewable energy shift to retain oil hold." February, http://www.hellenicshippingnews.com/index.php?option=com\_content&view=article&id=8961:saudi-arabia-eyes-renewable-energy-shift-to-retain-oil-hold-&catid=44:latest-news&Itemid=64, AD 7/7/11) AV

"I think Saudi is moving fast towards being a leader in solar energy," Majid Lenjawi, an engineering student at KFUPM. Spectacular yields "Saudi Arabia is the world's largest oil exporter and it has to become the leading exporter of solar energy," said fellow engineering student Ammar Madani. "Oil has good yields and the cost of production is low, but it is not a renewable source of energy." For Saudi Arabia, the yields for oil are spectacular. Analysts have estimated the total cost for extracting Saudi crude, including capital expenditure, is around $5 (Dh18.36) a barrel, the cheapest in the world. The industry's most expensive extraction costs for non-conventional oil, such as Canadian tar sands, are pegged at around $50 a barrel and higher — still below current market prices of roughly $100 for Brent crude futures. As well as providing billions to invest back into the oil industry, Saudi Arabia's huge profits leave it well placed to come up with the capital needed for alternative energy forms. In theory, gas is an easy, short-term answer. Accordingly, Saudi Arabia has invited foreign partners to help as it expands its gas capacity, although so far finds have been disappointing. Without allowing any foreign involvement into its sacrosanct upstream sector, Saudi Arabia has already expanded its oil capacity to 12.5 million bpd. That leaves it with roughly four million bpd of spare capacity should the need arise.

Energy Shift Inevitable - Renewables

The transition to renewable energies is happening now - recent massive

Friedman 11 (Lisa, an award winning journalist and the deputy editor of ClimateWire, NYTimes, " Middle East's Push Toward Renewable Energy Spurred by Rising Oil Prices." 6/21 http://www.nytimes.com/cwire/2011/06/21/21climatewire-middle-easts-push-toward-renewable-energy-sp-60886.html, AD 7/7/11) AV

Consider some of what has happened since: A consortium of European and Middle Eastern companies crafted a vision and a funding proposal to erect 100 gigawatts of concentrated solar plants throughout Morocco, Jordan, Tunisia, Egypt and Algeria to deliver electricity to Europe via a new grid of high-voltage transmission lines under the Mediterranean Sea. The project has the interest of every North African government in the region. Egypt last year completed a 140-megawatt capacity solar thermal power plant, the first in the country. Also in 2010, the Egyptian electrical ministry unveiled plans for a $700 million second plant with a 100 MW capacity, financed in part by the World Bank, and announced 4.5 MW of photovoltaic applications for highway and street lighting. Meanwhile, the transition government, in the months since President Hosni Mubarak was deposed, has been moving ahead with stalled plans to build two new wind farms in the Gulf of Suez. Morocco developed a national solar plan that calls for 2 gigawatts of solar capacity by 2020. It recently narrowed down bidders competing to build the country's first 125 MW concentrating solar power plant. Algeria, meanwhile, has begun construction on a 150 MW integrated solar combined cycle power station in the northern town of Hassi R'Mel, even as it is developing its own mini-Masdar. The city of Boughzoul, with funding from the GEF, will be a planned "low carbon city." And Jordan recently adopted a target of 10 percent renewable energy by 2020, including 1,200 MW of wind and 600 MW of solar. In the Persian Gulf, Kuwait has announced it will aim for 5 percent renewable capacity by 2020; Qatar this year launched the Qatar Environment and Energy Research Institute, with a priority focus on mitigating climate change; Iran is even doing a bit of solar research; and Saudi Arabia last month announced that the kingdom aims to generate solar energy at an equivalent capacity to its oil export generating capacity. The government is investing heavily in solar technology and will spend more than $100 billion to build at least 16 nuclear power plants across the kingdom. "Many of us weren't paying attention," El-Ashry said. "It reminds me of what happened with China. Many of us thought China would not do the right thing, and were criticizing it ... and now they are the leader in clean energy."

And the MENA region has the best production conditions for solar power in the world.

The World Bank Group, 11 (The World Bank, " $750 Million Clean Technology Fund Financing for Concentrated Solar Power in the Middle East and North Africa." http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/MENAEXT/0,,print:Y~isCURL:Y~contentMDK:22416420~pagePK:146736~piPK:146830~theSitePK:256299,00.html, AD 7/7/11) AV

The MENA region, one of the best production conditions for solar power No other region has such a favorable combination of physical and market advantages for CSP. The MENA region has physical attributes that make it particularly promising for CSP scale-up. The region has amongst the world’s best production conditions for solar power: Abundant sunshine, low precipitation, and plenty of unused flat land close to road. Networks and transmission grids. The economies of scale needed for global deployment of CSP can be achieved at the lowest cost of any region. Market dynamics in the MENA region can provide a strong enabling environment for large-scale investments: The consumption of electricity in MENA is growing faster than in other regions and countries are looking to scale-up renewable energy to diversify their fuel mix away from hydrocarbons, and to enhance energy security.

Energy Shift Inevitable - Renewables

Energy transition is inevitable - MENA states have commenced renewable energy projects.

Allam 10 (Abeer, Saudi Arabian correspondent for the New York Times, " Saudi Arabia announces nuclear centre." April, http://www.ft.com/cms/s/0/9da5b930-4aed-11df-a7ff-00144feab49a.html#axzz1RV6NNRyt, AD 7/7/11) AV

Saudi Arabia, the world’s largest oil supplier, is set to establish a civilian nuclear and renewable energy centre to help meet increasing demand for power as the country pushes forward with economic expansion plans. The official Saudi press agency said on Saturday that the new centre, the King Abdullah City for Nuclear and Renewable Energy, would be based in Riyadh and would be led by Hashim Abdullah Yamani, a former commerce and trade minister. Although all discussions have focused upon civilian uses of the technology, analysts note that Saudis and the other Arab Gulf states do not want to lag further behind Iran and Israel in developing nuclear technologies. The move positions the kingdom, the largest Arab economy, alongside Kuwait, Egypt, Qatar, and the United Arab Emirates, as Arab states seeking to develop nuclear energy for civilian use. On Friday, France and Kuwait signed a civilian nuclear cooperation agreement, and Paris is negotiating a similar agreement with Saudi Arabia. In December, the UAE announced a deal with Korea Energy Company to develop four reactors.

MENA nations are transitioning from oil now - they're planning solar plants.

Meisen 7 (Peter, President of The Global Energy Network Institute (GENI). " Renewable Energy Potential of the Middle East, North Africa vs. The Nuclear Development Option." October, http://www.geni.org/globalenergy/research/middle-east-energy-alternatives/MENA-renewable-vs-nuclear.pdf, AD 7/7/11) AV

Solar energy has the potential to equip the Middle East with centuries of sustainable, clean electricity. A solar power plant the size of Lake Nasser has the capacity of supplying the electricity needs of the entire region. 1 Traditional sources of power do not meet the demands of an environmentally sensitive future. As the costs of fossil fuels continue to rise, the price of electricity and government subsidies will continue to cut into socio-economic growth, widening the gap between those who can afford electricity and those who cannot. Carbon emissions increase as demand grows, and the costs of carbon sequestration are not monetarily efficient to be the only mitigation technique when there are better options available. Renewable energy will stabilize electricity costs, as it is not dependent upon depleting resources. Photovoltaic systems will also increase access to electricity in rural areas without the need of complex policy decision-making, thus balancing the socioeconomic infrastructure of the region. Solar power will be especially useful for heating and cooling systems and water desalinization. Renewable energy is not difficult to implement - Iran, Egypt, the UAE, and Algeria are all currently planning concentrated solar power plants - and once it is more established, it will also be useful for cooperation and peace negotiations to share this energy.

MENA nations transitioning to solar power now

A. Current applications prove transition to solar power inevitable

Meisen 7 (Peter, President of The Global Energy Network Institute (GENI). " Renewable Energy Potential of the Middle East, North Africa vs. The Nuclear Development Option." October, http://www.geni.org/globalenergy/research/middle-east-energy-alternatives/MENA-renewable-vs-nuclear.pdf, AD 7/7/11) AV

Current Applications of Solar Power · Israel: Over 700,000 households in Israel have solar water heaters. 65 · UAE: Forecasts suggest that by 2050, up to half of the UAE's required energy will come from renewable sources, of which solar is expected to make up a large percentage. 66 Solar energy is currently being used to power parking meters, offshore buoys, and water heating in hotels. It has recently been developed to cool a 100-flat apartment complex in Dubai, which has cut utility bills by a third. It powers the hot water system at another hotel in Dubai, which more than meets their daily requirement, saving them nearly 100% on their energy costs. The first solar-cell production line has recently been opened in the Fujairah Free Zone, UAE. 67 · Iran: Solar energy is being used for lighting public parks and streets and is also being used to power a water pump providing water to a remote village. 68

Energy Shift Inevitable - Solar

Photovoltaic Systems are in use now

Meisen 7 (Peter, President of The Global Energy Network Institute (GENI). " Renewable Energy Potential of the Middle East, North Africa vs. The Nuclear Development Option." October, http://www.geni.org/globalenergy/research/middle-east-energy-alternatives/MENA-renewable-vs-nuclear.pdf, AD 7/7/11) AV

Installed Photovoltaic systems · Morocco: Morocco has launched a solar home systems program to electrify over 150,000 households in isolated, off-grid locations. A market for PV operators, distributors and installers was established with this program, with an estimated market size of over US$80 million. 69 · Jordan: The photovoltaic cell systems for lighting in remote villages has been implemented under the Jordanian Badia project for lighting Rawdat Al-Bindan in Ruwaished district in cooperation with the Rural Electrification Project & the National Energy Research Center. The project was commissioned in October, 2002, as a pilot project in the development of rural areas. The total cost of the project reached J.D. (45.000). Efforts are also underway to implement a similar one at Thaghrat Aljob Village in Ma'an governorate and Al-Faida village in Ruwaished district. 70 · Egypt: A 2.7 PV system is being used to light one of NREA’ remote sites at the Matrouh Governorate. The total capacity of 2 PV systems is 424 watt peak for 9 × 11 W (DC) efficient lamps, and a TV set of 60 W (AC)

Solar Power plant development plans

Meisen 7 (Peter, President of The Global Energy Network Institute (GENI). " Renewable Energy Potential of the Middle East, North Africa vs. The Nuclear Development Option." October, http://www.geni.org/globalenergy/research/middle-east-energy-alternatives/MENA-renewable-vs-nuclear.pdf, AD 7/7/11) AV

Installed Photovoltaic systems · Iran will complete a solar thermal electric power plant in Yazd in 2010. It will ensure uninterrupted power during peak demand periods, cloudy days or early evenings with the aid of an auxiliary natural gas-fired heater which will operate to supplement sources of power, but is limited to 25% of the total effective energy input a year 72 . Iran is also developing capacity for solar-thermal plants with a 250 kW plant in Shiraz for which parts of the civil works, including landscaping, buildings and relevant accessories, as well as purchasing the mechanical equipment, have been completed. 73 · Egypt will soon develop a hybrid parabolic-trough concentrating solar power plant in Kuraymat. According to the NREA, it will reduce carbon dioxide emissions by 38,000 tons per year. 74 Refer to the report by the World Bank for more details. 75 · In the UAE, Abu Dhabi will build a 500 megawatt $350m solar power plant which also may be used for water desalination. Construction will begin in 2009. 76 · Algeria is also currently developing a solar power plant so as to be competitive with the energy produced in other regions of the world. The hybrid is expected to reach 5% of national generating capacity by 2015, and the country already has opportunities available to export this energy to Italy and other European countries. According to Energy and Mines Minister Chakib Khelil, “Algeria has a huge sunny area with big potential to be exploited. It has also financial and human resources. It lacks nothing. We can compete with other countries.” 77

AT - Middle East War Impacts

No risk of large-scale Middle East war – They want to maintain political stability

Takeyh et al 7,( Senior Fellow for ME Studies at Council on Foreign Relations, “Why the Iraq war won't engulf the Mideast,” June, http://www.cfr.org/publication/13702/why\_the\_iraq\_war\_wont\_engulf\_the\_mideast.html, AD 7/7/11) AV

Yet,the Saudis, Iranians, Jordanians, Syrians, and others are very unlikely to go to war either to protect their own sect or ethnic group or to prevent one country from gaining the upper hand in Iraq. The reasons are fairly straightforward. First, Middle Eastern leaders, like politicians everywhere, are primarily interested in one thing: self-preservation. Committing forces to Iraq is an inherently risky proposition, which, if the conflict went badly, could threaten domestic political stability. Moreover, most Arab armies are geared toward regime protection rather than projecting power and thus have little capability for sending troops to Iraq. Second, there is cause for concern about the so-called blowback scenario in which jihadis returning from Iraq destabilize their home countries, plunging the region into conflict. Middle Eastern leaders are preparing for this possibility. Unlike in the 1990s, when Arab fighters in the Afghan jihad against the Soviet Union returned to Algeria, Egypt and Saudi Arabia and became a source of instability, Arab security services are being vigilant about who is coming in and going from their countries. In the last month, the Saudi government has arrested approximately 200 people suspected of ties with militants. Riyadh is also building a 700 kilometer wall along part of its frontier with Iraq in order to keep militants out of the kingdom. Finally,there is no precedent for Arab leaders to commit forces to conflicts in which they are not directly involved. The Iraqis and the Saudis did send small contingents to fight the Israelis in 1948 and 1967, but they were either ineffective or never made it. In the 1970s and 1980s, Arab countries other than Syria, which had a compelling interest in establishing its hegemony over Lebanon, never committed forces either to protect the Lebanese from the Israelis or from other Lebanese. The civil war in Lebanon was regarded as someone else’s fight. Indeed, this is the way many leaders view the current situation in Iraq.To Cairo, Amman and Riyadh, the situation in Iraq is worrisome, but in the end it is an Iraqi and American fight. As far as Iranian mullahs are concerned, they have long preferred to press their interests through proxies as opposed to direct engagement. At a time when Tehran has access and influence over powerful Shiite militias,a massive cross-border incursion is **both** unlikely and unnecessary. So Iraqis will remain locked in a sectarian and ethnic struggle that outside powers may abet, but will remain within the borders of Iraq. The Middle East is a region both prone and accustomed to civil wars. But given its experience with ambiguous conflicts, the region has also developed an intuitive ability to contain its civil strife and prevent local conflicts from enveloping the entire Middle East.

No escalation – Great powers won’t get involved.

Ferguson 06 (Laurence A. Tisch Professor of History @ Harvard [Niall “This might not be a world war, but it still needs a sense of urgency” July 23rd, http://www.telegraph.co.uk/comment/3626545/This-might-not-be-a-world-war%2C-but-it-still-needs-a-sense-of-urgency.html, AD 7/7/11] AV

Such language can -- for now, at least -- safely be dismissed as hyperbole. This crisis is not going to trigger another world war. Indeed, I do not expect it to produce even another Middle East war worthy of comparison with those of June 1967 or October 1973.In 1967, Israel fought four of its Arab neighbors -- Egypt, Syria, Jordan and Iraq. In 1973, Egypt and Syria attacked Israel. Such combinations are very hard to imagine today. Nor does it seem likely that Syria and Iran will escalate their involvement in the crisis beyond continuing their support for Hezbollah.Neither is in a position to risk a full-scale military confrontation with Israel, given the risk that this might precipitate an American military reaction. Crucially, Washington's consistent support for Israel is not matched by any great power support for Israel's neighbors. During the Cold War, by contrast, the risk was that a Middle East war could spill over into a superpower conflict. Henry Kissinger, secretary of State in the twilight of the Nixon presidency, first heard the news of an Arab-Israeli war at 6:15 a.m. on Oct. 6, 1973. Half an hour later, he was on the phone to the Soviet ambassador in Washington, Anatoly Dobrynin. Two weeks later, Kissinger flew to Moscow to meet the Soviet leader, Leonid Brezhnev. The stakes were high indeed. At one point during the 1973 crisis, as Brezhnev vainly tried to resist Kissinger's efforts to squeeze him out of the diplomatic loop, the White House issued DEFCON 3, putting American strategic nuclear forces on high alert. It is hard to imagine anything like that today. In any case,this crisis may soon be over. Most wars Israel has fought have been short, lasting a matter of days or weeks (six days in 1967, three weeks in 1973). Some Israeli sources say this one could be finished in a matter of days. That, at any rate, is clearly the assumption

AT - Heg Impacts

Bases in Afghanistan solve power projection in the Middle East.

Capaccio 2010 (Tony, Aletho News, "Pentagon-plan-to-beef-up-afghan-base-near-iran-may-rile-regime/, ." http://alethonews.wordpress.com/2010/05/21/ AD 7/7/11) AV

A U.S. plan to upgrade its airbase in southwestern Afghanistan just 20 miles from Iran’s border will likely rile the Islamic regime, bolstering suspicions the West is trying to pressure it with military might, analysts say. The Defense Department is requesting $131 million in its fiscal year 2011 budget to upgrade Shindand Air Base so it can accommodate more commando helicopters, drone surveillance aircraft, fuel and munitions. Plans to expand the base come as the U.S. works to strengthen the militaries and missile defenses of allies in the region and presses at the United Nations for a new round of sanctions aimed at forcing Iran to curb its nuclear program. U.S. military officials say the base is only to support U.S. and Afghan military operations in Afghanistan. Iran will likely view the Shindand buildup as another step to squeeze it, said Kenneth Pollack, director of the Saban Center for Middle East Policy at the Brookings Institution in Washington. “Whatever U.S. intentions, the Iranian regime will see it as a threat — as another American effort to surround Iran with U.S. military forces,” Pollack said in an interview. “The Iranians are almost certainly going to assume that a beefed-up intelligence, surveillance and reconnaissance presence is really about spying on them,” he said. Andrew Krepinevich, president of the Center for Strategic and Budgetary Assessments in Washington, shares that view. “The positioning of the base gives us the opportunity to monitor any efforts by Iran to serve as a sanctuary for anti- government Taliban and allied forces, and to support operations in Iran itself if that were to become necessary,” he said.

Small disputes don’t overwhelm the strategic relationship between the US and Saudi Arabia

Al-Ikhbariyah 8 (“Relations with USA are primarily strategic, Saudi prince stresses,” Lexis, AD 7/7/11) AV

In a lecture headlined Saudi diplomacy organized by the systems and political sciences faculty at King Sa'ud University, HRH Prince Turki al-Faysal has affirmed the deep nature of Saudi-US relations which are based on an integrated system of common benefits and interests between the two countries. [Prince Al-Faysal -recording] Very briefly, relations between the Kingdom [of Saudi Arabia] and the USA are, from the viewpoint of the kingdom, strategic and stem from the conviction of the Kingdom -nation, leadership and people. Rather, there are gained benefits from these relations. Thus, even when a dispute arises between the kingdom and the USA over certain matters, this dispute does not eliminate the strategic nature of these relations.

U.S-Saudi relations resilient – Oil not key

Bronson 6 (Rachel, Senior fellow and director of Middle East Studies at the Council on Foreign Relations. “5 Myths About U.S.-Saudi Relations,” Washington Post, May, <http://www.washingtonpost.com/wp-dyn/content/article/2006/05/19/AR2006051901758_pf.html>, AD 7/7/11) AV

1 The U.S.-Saudi relationship is a bargain of oil for security.

There's more to it than that. Oil is, of course, critical to U.S.-Saudi ties -- it can hardly be otherwise for the world's largest consumer and largest producer. But Washington's relationship with Riyadh more closely resembles its friendly ties to oil-poor Middle Eastern states such as Jordan, Egypt and Israel than its traditionally hostile relations with oil-rich states such as Libya and Iran. Deep oil reserves have never translated into easy relations with the United States. A major reason for the close ties between the two nations was their common Cold War fight against communism. Both countries worried about the Soviet Union, and that solidified their oil and defense interests, and minimized differences. In hindsight, by supporting religious zealots in the battle against communism, the two countries contributed to the rise of radical Islamic movements.

\*\*\*AT – Saudi Oil\*\*\*

Oil Not Key to Saudi Econ

Oil is not integral to the Saudi Arabian economy - the economy is diverse and attracts private investment in other sectors.

IBDE 11 (International Business and Diplomatic Exchange, " Country report - SAUDI ARABIA." March, http://ibde.org/component/content/article/171-country-report-saudi-arabia.html, AD 7/7/11) AV

From a financial perspective Saudi Arabia has the capability to become a home for investors in search of exciting opportunities abroad. The fast-growing economy presents a vast array of opportunities for investors as Saudi Arabia moves towards a diverse economy away from the dominant sectors, namely oil and gas. The economic reform along with market liberalisation and a growing private sector make will make Saudi Arabia as one of the most lucrative markets for strategic investment. Investment Climate Saudi Arabia is one of the 25 largest economies in the world with around 28 million people within its borders. It has been designated as a ‘High Growth Market’ by UK Trade & Investment and remains the United Kingdom’s largest trading partner in the Middle East. The World’s Bank “Doing Business” report ranked Saudi Arabia 13th out of 189 countries in terms of the overall ease with which business may be conducted making it an attractive prospect for future investors. Saudi Arabia is renowned for having one of the most stable currencies in the world, the Saudi Riyal. This coupled with one of the most rewarding tax systems in the world, a ‘free labour market’, areas in which Saudi Arabia ranked 7th in the world according to the World Economic Forum, and low inflation rates make investment opportunities in this country all the more appealing. In addition to this the government in Saudi Arabia has spent an enormous $385 billion (USD) on developing its infrastructure over the next 5 years providing further opportunities for foreign investors. Saudi Arabia and the United Kingdom Investment opportunities in Saudi Arabia are particularly lucrative for those wishing to support the growth of their businesses in the UK. The UK is the second largest investor in Saudi Arabia after the United States of America. The Saudi government is thus particularly dedicated to ensuring the growth of businesses in the UK through investments in targeted areas of growth. Thus it provides a platform for British investors looking to diversify and expand their business portfolios into foreign markets particularly since Saudi Arabia has over 27 million increasingly affluent consumers. Investment Sectors As an emerging powerhouse of the Middle East Saudi Arabia presents investment opportunities in a variety of key sectors including: Energy · Transport and Logistics · Education ·Health ICT Life Sciences The establishment of the Saudi Arabian General Investment Authority (SAGIA) aims to support foreign investors with the application and approval process for investing in the Kingdom. It is the first point of contact for investors looking for further information on what Saudi Arabia has to offer and simply wish to understand more about the process involved but also for those who need further support having decided to invest in the Kingdom. As an emerging powerhouse in the Middle East, Saudi Arabia provides the perfect opportunity for both experienced foreign investors and those looking to invest abroad for the first time. Its massive spending on the development of infrastructures shows the Kingdom’s intentions to both diversify and expand its economy. The country is thus at the early stages of growth and certainly seems to be heading towards poll position in its aim to become a robust economy that is both stable and attractive to foreign investors.

Foreign investment doesn't help the Saudi oil sector or the economy.

Alhajji 2k (A.F., The Business Network, " Investment in Saudi Arabia needs patience and more patience," June, http://findarticles.com/p/articles/mi\_m3159/is\_6\_221/ai\_63127271/pg\_1?tag=artBody;col, AD 7/7) AV

Countries tend to open their upstream oil sectors to foreign investment because of lack of capital, experience, technology and profitability. The Saudi oil sector, on the other hand, does not lack any of these attributes. Foreign investment in the oil sector will not benefit the Saudis, because it will not add much to GDP, improve technology or reduce unemployment. In addition, foreign investment in the oil sector could force Saudi Arabia to violate its OPEC quota--a situation that happened in Venezuela.

Oil Not Key to Saudi Econ

The Saudi Arabian economy is the most diverse in the Middle East - access to ports, investment in non-oil sectors, consumer confidence, and steady growth.

RSGT 11 (Red Sea Gateway Terminal, " http://www.rsgterminal.com/geo.php." AD 7/7/11) AV

Saudi Arabia is the world's major oil exporting country, and by far the most diverse economy in the Middle East. Almost all (95%) of the country's non oil exports and imports move through its seaports, giving rise to the largest network of port in ME The Government is also undertaking a multitude of large investment in transportation infrastructure i.e.rail, road, air & sea. Solid economic growth and stable domestic consumption are sustaining steady container volume growth, encouraged by robust macroeconomic stability and consumer confidence well above the regional average. Growth in the petro-chemical industry will surge the export container volume to exceed 1.0 M by 2011 The Kingdom has never been more committed to supporting economic growth. The sheer size of the markets that Saudi-based projects serve is a competitive advantage, allowing Saudi businesses to benefit from economies of scale.

Saudi Oil = al Qaeda Takeover (1/2)

Continued flow of oil between the US and Saudi Arabia will result in Al Qaeda take over.

Cohen 6 (Ariel, senior research fellow in Russian and Eurasian studies and international energy security in the Douglas and Sarah Allison center for Foreign Policy Studies @ the Heritage foundation, Reducing U.S. dependence on Middle Eastern oil, April, http://www.heritage.org/Research/Features/NationalSecurity/bg1926.cfm, AD 7/7/11) AV

Saudi Arabia.Saudi Arabia not only is the world's largest exporter of oil, but also has the biggest share of unused oil production capacity, which is crucial for cushioning oil markets from supply disruptions elsewhere. Thus, the political stability and future of Saudi Arabia's oil industry remain paramount to forecasting trends in the oil economy of the Middle East in the next 15 to 20 years. If Saudi Arabia remains stable or even increases production, the world has a couple of decades to make the transition to new fuels, probably a combination of hydrocarbons and non-hydrocarbons. This transition needs to be manageable and not too disruptive so that industries can adjust and raise the capital necessary to create new technologies and distribution networks. However, a combination of security factors and economic policies is making this kind of "soft landing" less likely than an escalating energy shortage, rife with international security and economic crises. A successful attack on the Saudi oil facilities could cut Saudi supply and neutralize Saudi Arabia's 1.5-2 mbd surplus oil producing capacity, which in turn would destabilize world oil markets, undermining international energy security. Internally, the Saudi leadership has spent much of its recent existence on the knife's edge. The balancing act between supplying the United States with oil on one hand and financing radical Islamists on the other was always a tremendously risky feat for the monarchy. The attack on Abqaiq demonstrates the potentially disastrous consequences of a misstep. The attacks on Abqaiq most probably signal an escalation of a low-intensity terrorist war between the oil-rich Saudi monarchy and the jihadis in which oil fields, pipelines, pumping stations, ports, and terminals are soft targets, vulnerable to the types of asymmetric attacks that are already the bloody hallmark of al-Qaeda. According to Newsweek, a successful strike on Abqaiq could have cut Saudi output by more than 4 mbd for two months or more, with disastrous consequences for the global economy.[23] Even more frightening is the prospect of jihadis mounting an outright takeover of the country. Under such a scenario, radical Islamists dedicated to overthrowing the Al Saud regime would slowly build up their forces until they could exploit a revolutionary situation created by a succession struggle, a political assassination, or some other circumstantial trigger. Uprisings, if not checked, could lead to the regime's overthrow and political turmoil, which would deeply affect oil production capacity and immediately and directly threaten Western experts and workers in Saudi Arabia. Osama bin Laden has stated his belief that oil should cost $145-$200 per barrel.[24] If radical Wahhabis succeeded in taking over Saudi Arabia, they would likely drastically reduce production. The radical regime's anti-Western policies, including the pursuit of nuclear weapons, could trigger Western economic sanctions, which would likely include limits on investment and spare parts for the oil industry or even an outright trade boycott. Furthermore, if the survival of the world's economy is threatened, military action to remove an al-Qaeda-type regime could not be ruled out.

Al Qaeda coup in Saudi Arabia would result in an all out war between the United States and the entire Muslim world.

Scheuer 8 (Michael, the former head analyst at the CIA’s bin Laden unit, "Terrorism Focus: Bin Laden identifies Saudi Arabia as enemy of the Mujahideen Unity." January, http://www.jamestown.org/terrorism/news/article.php?articleid=2373884, AD 7/7/11) AV

If bin Laden’s assertions are true, and Saudi Arabia’s Afghanistan-like intervention in Iraq continues to prevent the mujahideen unity bin Laden advocates, the al-Qaeda chief and his Shura (consultative) council may soon confront the very unpalatable necessity of having to break with their traditional grand strategy and move to try to destroy the Saudi regime. In such a scenario, al-Qaeda would abandon the pinprick insurgency-and-terrorism campaign it has conducted in the kingdom since 9/11, and employ all the force it commands and can incite there—and bring in from Iraq—to take on the well-infiltrated Saudi military and security services. Such a campaign probably would combine attempts to assassinate the king, the interior minister and senior intelligence and military officials with attacks to disrupt Saudi oil production. The latter operations would be staged in the hope of forcing Washington to a Hobson’s choice between standing back and allowing havoc to reign in the world’s oil market—with the immense damage it would entail for the U.S. economy—and ordering U.S. military forces into action against Muslims in order to restore oil production on the sacred soil of the Prophet Muhammad’s birthplace and what bin Laden refers to as “the land of the two holy mosques.” The foregoing clearly is not an option that al-Qaeda is eager to undertake; it is an option that amounts to an almost desperate gamble. But that said, if such a campaign successfully triggered a U.S. military response in the kingdom, the focus and militancy of the entire Muslim world—both Sunni and Shiite—would be switched from Iraq to Saudi Arabia, and the enmity and weapons of all Muslims would, at least temporarily, be refocused on the “far enemy” in North America.

Saudi Oil = al Qaeda Takeover (2/2)

That goes nuclear and escalates to a world conflagration.

Steinbach 2 (John, nuclear specialist at the Center for Research on Globalization, Center for Research on Globalization, March, <http://www.globalresearch.ca/articles/STE203A.html>, AD 7/7/11) AV

Meanwhile, the existence of an arsenal of mass destruction in such an unstable region in turn has serious implications for future arms control and disarmament negotiations, and even the threat of nuclear war. Seymour Hersh warns, "Should war break out in the Middle East again,... or should any Arab nation fire missiles against Israel, as the Iraqis did, a nuclear escalation, once unthinkable except as a last resort, would now be a strong probability."(41) and Ezar Weissman, Israel's current President said "The nuclear issue is gaining momentum(and the) next war will not be conventional."(42) Russia and before it the Soviet Union has long been a major(if not the major) target of Israeli nukes. It is widely reported that the principal purpose of Jonathan Pollard's spying for Israel was to furnish satellite images of Soviet targets and other super sensitive data relating to U.S. nuclear targeting strategy. (43) (Since launching its own satellite in 1988, Israel no longer needs U.S. spy secrets.) Israeli nukes aimed at the Russian heartland seriously complicate disarmament and arms control negotiations and, at the very least, the unilateral possession of nuclear weapons by Israel is enormously destabilizing, and dramatically lowers the threshold for their actual use, if not for all out nuclear war. In the words of Mark Gaffney, "... if the familar pattern(Israel refining its weapons of mass destruction with U.S. complicity) is not reversed soon- for whatever reason- the deepening Middle East conflict could trigger a world conflagration." (44

No Impact - Saudi Coup/al-Qaeda

Saudi security forces prevent al-Qaeda coup

Roggio 6 (Bill, managing Editor of The Long War Journal and the president of Public Multimedia Inc., "al Qaeda Offensive on the Arabian Peninsula." February. http://www.longwarjournal.org/archives/2006/02/alqaeda\_offensive\_on.php, AD 7/7/11) AV

Saudi Arabia has been waging a war against al Qaeda within the confines of the Kingdom's borders for several years. The Saudis have conducted numerous operations against the group, and al Qaeda has had some successes in striking at targets within the Kingdom. Osama bin Laden has explicitly called for strikes within Saudi Arabia, and has called for al Qaeda to focus on the petrolium industry; ""Take jihad (holy war) to stop (the Americans) getting hold of (the oil). Concentrate your operations on the oil, in particular in Iraq and the Gulf." Unlike the operation in Samarra, which al Qaeda attempts to pin on the Shiites, al Qaeda has taken responsibility for this attack, "With grace from God alone, hero mujahideen from the squadron of Sheikh Osama bin Laden succeeded today (Friday)...in penetrating a plant for refining oil and gas in the town of Abqaiq in the eastern part of the peninsula, and then allowed two car bombs in driven by two martyrdom seekers... These plants help in stealing the Muslims' wealth of oil." Saudi security forces have had great success in rooting out al Qaeda operatives, and many of the high-value targets have been killed or captured. The fact the al Qaeda teams could not penetrate the security of the Abqaiq facility makes it likely there was no assistance from the inside, and the security is well trained and alert to the threat. They had better remain alert, as al Qaeda views the Saudi oil infrastructure as the Kingdom's jugular, and will strike at these facilities again.

And bin Laden's death destroyed al-Qaeda

Reuters 11 ("U.S. believes it can now destroy al-Qaida after killing bin Laden." March 5th, http://www.haaretz.com/news/international/u-s-believes-it-can-now-destroy-al-qaida-after-killing-bin-laden-1.359630, AD 7/7/11) AV

Counterterrorism chief John Brennan said bin Laden's death was the latest in a series of U.S. operations that have delivered "severe body blows" to al-Qaida's central network in Pakistan and Afghanistan over the past year. "We're going to try to take advantage of this opportunity we have now with the death of al-Qaida's leader, bin Laden, to ensure that we're able to destroy that organization," Brennan told NBC's Today show. "We're determined to do so and we believe we can." "We believe that we have damaged the organization, degraded its capability and made it much more difficult for it to operate inside of Pakistan as well as beyond." Senate Foreign Relations Committee Chairman John Kerry said in an MSNBC interview on Monday that U.S. drone strikes in Pakistan's Federally Administered Tribal Areas had killed as many as 17 senior al-Qaida leaders before bin Laden's death. Brennan spoke a day after world leaders and security experts urged increased vigilance against possible retaliatory strikes by al-Qaida. CIA director Leon Panetta warned on Monday that bin Laden's death would "almost certainly" prompt his Islamist supporters to attempt some sort of retaliation. But Brennan said U.S. officials were aware of no specific threat, nearly 48 hours after bin Laden's death. "But what we're doing is, we're taking all those prudent measures that we need to whenever there's an incident of significance like this," Brennan said in a separate interview on ABC's "Good Morning America." "Right now, I think we feel pretty confident that we are at the right posture."

No Impact - Terrorism

There is no impact to terrorism - lack of interest, material, and capability.

Gavin 10 (Francis, Tom Slick Professor of International Affairs, Director of the Strauss Center for International Security and Law at UT Austin, *International Security*, “Same As It Ever Was; Nuclear Alarmism, Proliferation, and the Cold War”, [<http://www.mitpressjournals.org/doi/pdf/10.1162/isec.2010.34.3.7>] AD 7/7/11) AV

Much has already been done to secure the supply of nuclear materials, and relatively simple steps can produce further improvements. Moreover, there are reasons to doubt both the capabilities and even the interest many terrorist groups have in detonating a nuclear device on U.S. soil. As Adam Garªnkle writes, “The threat of nuclear terrorism is very remote.”50 Experts disagree on whether nonstate actors have the scientiªc, engineering, financial, natural resource, security, and logistical capacities to build a nuclear bomb from scratch. According to terrorism expert Robin Frost, the danger of a “nuclear black market” and loose nukes from Russia may be overstated. Even if a terrorist group did acquire a nuclear weapon, delivering and detonating it against a U.S. target would present tremendous technical and logistical difªculties.51 Finally, the feared nexus between terrorists and rogue regimes may be exaggerated. As nuclear proliferation expert Joseph Cirincione argues, states such as Iran and North Korea are “not the most likely sources for terrorists since their stockpiles, if any, are small and exceedingly precious, and hence well-guarded.”52 Chubin states that there “is no reason to believe that Iran today, any more than Sadaam Hussein earlier, would transfer WMD [weapons of mass destruction] technology to terrorist groups like al-Qaida or Hezbollah.”53 Even if a terrorist group were to acquire a nuclear device, expert Michael Levi demonstrates that effective planning can prevent catastrophe: for nuclear terrorists, what “can go wrong might go wrong, and when it comes to nuclear terrorism, a broader, integrated defense, just like controls at the source of weapons and materials, can multiply, intensify, and compound the possibilities of terrorist failure, possibly driving terrorist groups to reject nuclear terrorism altogether.” Warning of the danger of a terrorist acquiring a nuclear weapon, most analyses are based on the inaccurate image of an “infallible tenfoot- tall enemy.” This type of alarmism, writes Levi, impedes the development of thoughtful strategies that could deter, prevent, or mitigate a terrorist attack: “Worst-case estimates have their place, but the possible failure-averse, conservative, resource-limited ªve-foot-tall nuclear terrorist, who is subject not only to the laws of physics but also to Murphy’s law of nuclear terrorism, needs to become just as central to our evaluations of strategies.”54 A recent study contends that al-Qaida’s interest in acquiring and using nuclear weapons may be overstated. Anne Stenersen, a terrorism expert, claims that “looking at statements and activities at various levels within the al-Qaida network, it becomes clear that the network’s interest in using unconventional means is in fact much lower than commonly thought.”55 She further states that “CBRN [chemical, biological, radiological, and nuclear] weapons do not play a central part in al-Qaida’s strategy.”56 In the 1990s, members of al-Qaida debated whether to obtain a nuclear device. Those in favor sought the weapons primarily to deter a U.S. attack on al-Qaida’s bases in Afghanistan. This assessment reveals an organization at odds with that laid out by nuclear alarmists of terrorists obsessed with using nuclear weapons against the United States regardless of the consequences. Stenersen asserts, “Although there have been various reports stating that al-Qaida attempted to buy nuclear material in the nineties, and possibly recruited skilled scientists, it appears that al-Qaida central have not dedicated a lot of time or effort to developing a high-end CBRN capability. . . . Al-Qaida central never had a coherent strategy to obtain CBRN: instead, its members were divided on the issue, and there was an awareness that militarily effective weapons were extremely difªcult to obtain.” 57 Most terrorist groups “assess nuclear terrorism through the lens of their political goals and may judge that it does not advance their interests.”58 As Frost has written, “The risk of nuclear terrorism, especially true nuclear terrorism employing bombs powered by nuclear ªssion, is overstated, and that popular wisdom on the topic is signiªcantly ºawed.”59

No state would ever give nuclear weapons to terrorists

Frost 5 (Robin, teaches political science at Simon Fraser University, British Colombia, “Nuclear Terrorism after 9/11,” Adelphi Papers, AD 7/7/11) AV

State sponsors of nuclear terrorism. Nuclear-weapon states, even ‘rogues’, are most unlikely to be foolish enough to hand nuclear weapons, which are among their dearest national treasures, over to such unreliable, unpredictable and potentially dangerous characters as terrorists, especially when the chances of a suspected state sponsor suffering nuclear retaliation and annihilation are so good, and so blindingly obvious.

\*\*\*AT – Libya Oil\*\*\*

Oil Not Key to Libya Econ

Reduced oil demand won't impact the Libyan economy - diversification is happening now.

Tanner 11 (Adam, bureau chief for Reuters in the Balkans, " A Post-Gaddafi Libya would likely diversify: World Bank." March 30th, http://us.mobile.reuters.com/article/topNews/idUSTRE72T61T20110330, AD 7/7/11) AV

ABAT (Reuters) - A post-Gaddafi Libya would likely seek to diversify its economy and encourage the private sector, the World Bank's regional director said on Wednesday. "I would have thought going forward, depending on what the authorities would be looking at, is to build up a modern, private-sector friendly environment that allows it to diversify from its petrol-rich dependency to something that's more sustainable," Simon Gray, who oversees the Maghreb region, told Reuters when asked how he thought Libya's economy might change in the event Muammar Gaddafi left power. The West has launched an air war on Gaddafi's forces to support rebels who now control part of Libya. Western leaders say they want Gaddafi to leave office. Under his 42-year rule, Gaddafi has sought to embrace Islamic socialist values spelled out in his multi-volume Green Book. The national oil industry has proved the Libyan economy's main engine. The country accounted for more than two percent of world production before the war started. The International Monetary Fund has estimated that in 2009 and 2010 oil and gas revenues funded 80 percent of the government budget. Gray said future economic change in Libya could include "trying to diversify in the petrol chemical industries themselves," he said. "There's some things that we've been looking at: tourism, cultural tourism; there was some talk about some agriculture, food diversification." A wider economic base would also lessen the impact of swings in the price of oil in Libya, whose reserves are estimated to be the world's ninth largest. Libya "was a rich country that was not a borrower," Gray said about its relationship with the World Bank. "At the moment we are looking at some grant financing." POTENTIAL OF REGIONAL COOPERATION Elsewhere in the region, the World Bank is working on a package of support in Tunisia, where a popular uprising overthrew the government earlier this year. It is also hoping to encourage greater economic cooperation across North Africa. "We are looking to, in general, much more accent on voice, on governance, on inclusion in the whole growth paradigm, on more transparency of information," Gray said in an interview. "All of those things across the Maghreb region will be important and we are looking at the authorities to increase those areas, which I think are integral aspects to the whole growth agenda." Earlier on Wednesday, Morocco's economic affairs minister, Nizar Baraka, said his country's GDP could grow two percentage points more than at present with greater economic cooperation in North Africa and more trade with neighboring Algeria. "We have been constantly saying don't just look at integrating in Europe, don't just look at integrating with Africa, which Morocco has been doing a lot of, but try to see what can be done on the integration side within the Maghreb," said Gray, the World Bank's former Serbia country manager. "The more you can come together in those sorts of markets, as we have seen in the Balkans, the better you are at placing yourself."

Invasion of Libya Inev

U.S invasion of Libya is inevitable - the military has already made justifications to occupy Libya

The American Dream 11 ("14 Potential Justifications For An Invasion Of Libya By The U.S. Military That Are Currently Being Floated In The Mainstream Media." March, http://endoftheamericandream.com/archives/14-potential-justifications-for-an-invasion-of-libya-by-the-u-s-military-that-are-currently-being-floated-in-the-mainstream-media, AD 7/7/11)

The following are 14 potential justifications for an invasion of Libya by the U.S. military that are currently being floated in the mainstream media.... #1 "We Can't Stand Aside And Watch Gaddafi Kill His Own People" #2 "It Would Just Be A Humanitarian Mission" #3 "Libya Is Torturing Prisoners" #4 "The Libyan Rebels Will Not Be Able To Take Down Gaddhafi With Our Help" #5 "U.S. Interests Are Being Threatened" #6 "Gaddafi Is Crazy" #7 "Gaddafi Has Weapons Of Mass Destruction" #8 "Gaddafi Will Use Chemical Weapons If We Don't Stop Him" #9 "Gaddafi Has "1,000 Metric Tons Of Uranium Yellowcake" #10 "European Energy Companies Are Deeply Invested In Libyan Oil And Gas Fields" #11 "Millions of Dollars Worth Of Infrastructure Will Be Destroyed If We Don't Intervene" #12 "The Crisis In Libya Is Bad For The Global Economy" #13 "Someone Has To Protect The Oil" #14 "We Have Got To Go Into Libya To Keep Al-Qaeda From Getting A Foothold."

I/L D - Overstrech

The U.S has large springs of latent power it can tap

Wohlforth 7

(William, Unipolar Stability: The Rules of Power Analysis, A Tilted Balance, Vol. 29 (1) - Spring 2007, AD 7/7/11) AV

US military forces are stretched thin, its budget and trade deficits are high, and the country continues to finance its profligate ways by borrowing from abroad—notably from the Chinese government. These developments have prompted many analysts to warn that the United States suffers from “imperial overstretch.” And if US power is overstretched now, the argument goes, unipolarity can hardly be sustainable for long. The problem with this argument is that it fails to distinguish between actual and latent power. One must be careful to take into account both the level of resources that can be mobilized and the degree to which a government actually tries to mobilize them. And how much a government asks of its public is partly a function of the severity of the challenges that it faces. Indeed, one can never know for sure what a state is capable of until it has been seriously challenged. Yale historian Paul Kennedy coined the term “imperial overstretch” to describe the situation in which a state’s actual and latent capabilities cannot possibly match its foreign policy commitments. This situation should be contrasted with what might be termed “self-inflicted overstretch”—a situation in which a state lacks the sufficient resources to meet its current foreign policy commitments in the short term, but has untapped latent power and readily available policy choices that it can use to draw on this power. This is arguably the situation that the United States is in today. But the US government has not attempted to extract more resources from its population to meet its foreign policy commitments. Instead, it has moved strongly in the opposite direction by slashing personal and corporate tax rates. Although it is fighting wars in Afghanistan and Iraq and claims to be fighting a global “war” on terrorism, the United States is not acting like a country under intense international pressure. Aside from the volunteer servicemen and women and their families, US citizens have not been asked to make sacrifices for the sake of national prosperity and security. The country could clearly devote a greater proportion of its economy to military spending: today it spends only about 4 percent of its GDP on the military, as compared to 7 to 14 percent during the peak years of the Cold War. It could also spend its military budget more efficiently, shifting resources from expensive weapons systems to boots on the ground. Even more radically, it could reinstitute military conscription, shifting resources from pay and benefits to training and equipping more soldiers. On the economic front, it could raise taxes in a number of ways, notably on fossil fuels, to put its fiscal house back in order. No one knows for sure what would happen if a US president undertook such drastic measures, but there is nothing in economics, political science, or history to suggest that such policies would be any less likely to succeed than China is to continue to grow rapidly for decades. Most of those who study US politics would argue that the likelihood and potential success of such power-generating policies depends on public support, which is a function of the public’s perception of a threat. And as unnerving as terrorism is, there is nothing like the threat of another hostile power rising up in opposition to the United States for mobilizing public support. With latent power in the picture, it becomes clear that unipolarity might have more built-in self-reinforcing mechanisms than many analysts realize. It is often noted that the rise of a peer competitor to the United States might be thwarted by the counterbalancing actions of neighboring powers. For example, China’s rise might push India and Japan closer to the United States—indeed, this has already happened to some extent. There is also the strong possibility that a peer rival that comes to be seen as a threat would create strong incentives for the United States to end its self-inflicted overstretch and tap potentially large wellsprings of latent power.

No overstrech - recruiting is at an all-time high.

Peter 9 (Thomas A. Peter is a staff writer for the Christian Science Monitor. “High unemployment means high military recruitment.” November 12, 2009. <http://www.csmonitor.com/USA/Military/2009/1112/p17s01-usmi.html> AD 7/7/11) AV

. Economic hard times are a driving force in what the Department of Defense is calling the best recruitment year since 1973. "We're pleased to report that for the first time since the advent of the all-volunteer force, all of the military components, active and reserve, met their number as well as their quality goals.… [T]hat's the first time that's been achieved for every component since the start of the all-volunteer force in 1973," said Bill Carr, head of personnel for the Department of Defense. In his October report on 2009 recruitment, he attributed part of the success to high unemployment rates in the US, in addition to increased spending on recruits and better military salaries. ACROSS THE SERVICES, THE MILITARY MET all its goals and, after years of lowering standards during the peak of fighting in Iraq, this past year attracted one of the most educated groups to the military in nearly a decade. All the services modestly exceeded their recruiting goals, with the Army having the most success, making 108 percent of its target. In sum, the US Army, Navy, Marine Corps, and Air Force brought in nearly 169,000 new recruits, while the National Guard and Reserve forces brought in about 138,000. There is some question as to the significance of the military's record-level recruiting year. Some have pointed out that the services exceeded their goals only after lowering them, so in actuality fewer people joined the military this year than last. However, the military has also managed to attract an undeniably more qualified core of recruits.

I/L D - Overstrech

No overstretch

Hicks 10 (Deputy Under Secretary of Defense for Strategy, Plans, and Forces—Samuel J. Brannen—Special Assistant to the Deputy Under Secretary. (Kathleen, Force Planning in the 2010 QDR, <http://www.ndu.edu/press/force-planning-in-the-2010-QDR.html>, AD 7/7/11) AV

This year's review leaves no doubt that as long as substantial numbers of U.S. forces are operating in Afghanistan and we are conducting a responsible drawdown of forces in Iraq, U.S. force sizing and shaping will be driven by the need to ensure success for the men and women serving in both theaters. Success in these operations significantly enhances our long-term security outlook. At the same time, the QDR requires U.S. forces to be capable of executing other elements of the defense strategy today. This includes limited prevent and deter missions focused on ensuring a defense in depth of the United States, preventing the emergence or reemergence of transnational terrorist threats. It also includes being prepared to defend the United States and to support civil authorities in the case of an emergency and defeating threats to U.S. allies and interests that might arise, such as on the Korean Peninsula. Finally, the QDR requires the force to begin transitioning to sustainable personnel rotation rates that encourage the vitality and long-term health of America's All-Volunteer Force. Long-term Force Sizing (7 to 20 Years). Looking out along the long-term security horizon, we see an even more complex environment with a greater opportunity and need to address our prevention, preparation, and preservation (prevent, prepare, preserve) defense objectives. Some of the particularly stressing operational challenges we face include: lower barriers to entry for dangerous actors attempting to acquire an increasingly lethal array of technologies, including WMD—more actors are more dangerous and can directly threaten America's interests and its ability to operate incentives for nonstate and state adversaries to challenge us asymmetrically—this would likely occur at the low and high ends of potential lethality and/or technology, and we should expect future conflicts to combine these approaches potential for state collapse or chronically fragile states to pose a range of complex challenges. Given the broad spectrum of potential future conflicts, Secretary Gates has directed force planners to develop "an American military that must have the maximum possible flexibility to deal with the widest possible range of scenarios and conflicts."13 Although the U.S. Armed Forces must in aggregate be flexible, not all portions of the force must do everything equally well. Operations will affect each part of the joint force differently, including variations in the intensity and duration of use for land, maritime, air, space, and cyberspace forces. Nor should we overspend by inflating threats. Indeed, as the QDR states, "Not all challenges pose the same degree of threat to national interests, rely on U.S. military capabilities equally, or have the same chance of occurrence."14 Ensuring our ability to meet defense objectives over the long term required us to move beyond a single, small set of scenarios against which to assess our future forces. For this reason, the QDR used multiple Integrated Security Constructs—scenario combinations designed to test the force's capacity to manage plausible but highly stressing combinations of overlapping missions. For example, QDR analyses tested the capacity of U.S. forces to meet the following challenges in overlapping timeframes: conduct a large-scale stability operation, such as Operation Iraqi Freedom defeat a highly capable state adversary in a distant theater extend support to civil authorities in response to a catastrophic event in the United States continue to execute a global campaign against al Qaeda and its allies. We also tested the QDR force against several other plausible combinations of challenges, each designed to stress the force differently in terms of its speed, strength, versatility, and durability. To analyze scenarios, we planned a contingency operation, determining the required force size and structure, then tested these forces using modeling and simulation where possible, and military judgment in other cases. We complemented these efforts with lessons learned from past and current operations and numerous classified wargames—many set in the distant future. Using this planning process, the 2010 QDR went far beyond the scope and time horizon of earlier reviews. By broadening scenario sets and testing multiple variations, we captured long-term challenges such as advanced cyber, nuclear, and antispace situations set decades in the future. We also explored the implications of increased demands for day-to-day global presence and partner capacity missions over a period of years. These missions—domestic support to civil authorities, security force assistance, and deterring nuclear-armed aggressors— have been only marginally assessed in prior analyses. Although we must be realistic about our ability to predict all of the factors that affect U.S. and foreign military planning— trends that include global economics, energy, demographics, technology, geopolitics, and domestic pressures on adversaries, allies, and friends—we are confident that the analysis undertaken in the 2010 QDR and the review's resulting strategic and programmatic decisions set DOD on the right course to guide the force's needed evolution over the next 20 years. The 2010 QDR concretely identifies the size and composition of U.S. force structure appropriate for executing the defense strategy. It then goes beyond prior reviews to establish clear measures for further force evolution, ensuring that our force of the future includes: ground forces capable of full-spectrum operations naval forces capable of robust power projection and effective partnering survivable fifth-generation fighter aircraft with increased range, flexibility, and multimission versatility agile special operations forces with organic enablers and support from general purpose forces more and better enabling systems, including intelligence, surveillance, and reconnaissance, as well as electronic attack communications networks, more resilient base infrastructure, enhanced cyber defenses and missile defenses the right combination of joint persistent surveillance, electronic warfare, and precision-attack capabilities, including both penetrating platforms and standoff weapons, to support U.S. power projection operations.

\*\*\*AT – Egypt Oil\*\*\*

Oil Not Key to Egypt Econ

Egypt's economy can easily transition from oil - Oil only makes up 15% of Egypt's GDP.

WMP 10 (World Market Pulse, " New Egypt ETF Offers Exposure to Growing African Economy." July, http://seekingalpha.com/article/216069-new-egypt-etf-offers-exposure-to-growing-african-economy, AD 7/7/11) AV

When we speak of Egypt, the first thing that comes to mind is the images of the Great Pyramid at Giza, the Nile Delta and the ancient Egyptian civilization. Far from being a civilization located on both sides of the river Nile, the modern day Egypt is the most populated country in the Middle East and the third most populous on the African continent. Despite technically being considered part of geo-economic area called Middle East Egypt lies in the continent of Africa and its per capita GDP is below the global average, trailing behind other emerging markets such as Brazil, South Africa, China, but ahead of India. Egypt’s economy is much more diversified than many in the region. Oil and gas make up only about 15% of the country’s GDP, compared to as much as 50% for many oil rich states. In addition to a strong financial sector, tourism, agriculture and industrials account for significant portions of GDP.

The Egyptian economy is not dependent on oil - it is extremely diverse and is not dependent on oil.

The Economist 11 ("Light, dark and muddle: The shakiness of the economy could undermine progress towards democracy." June 23rd, http://www.economist.com/node/18864693, AD 7/7/11) AV

What are the chances that Egypt can rise to these challenges? In the long run, reasonable. The country has real advantages. It is the most populous Arab country and, because it is not dependent solely on oil, offers a bigger menu to investors. As a location—on the Suez Canal linking Europe, the Middle East and Africa—it is hard to beat. In common with other Arab countries, it has favourable demographic trends, with a growing labour force and a declining dependency rate (children and pensioners as a share of the working-age population). On the rare occasions the government started to liberalise—in 1974-79, 1991-98 and 2004-08—the economy boomed. “This is an economy that can bounce back,” says Ratna Sahay, the head of the IMF’s delegation to Egypt.

Oil is not integral to the Egyptian economy - the Egyptian economy has many other sectors that keep it afloat.

Subramanian 11 (Arvind, is a senior fellow at the Center for Global Development with a joint appointment at the Peter G. Peterson Institute, "Arab spring will not see an economic boom." February, http://www.ft.com/intl/cms/s/0/676e0f42-3df5-11e0-99ac-00144feabdc0.html#axzz1RV6NNRyt, AD 7/7/11) AV

The rent curse, however, is not about oil alone. Egypt, for instance, has numerous other sources it can tap. Vast flows of foreign aid, especially from the US, keep it afloat. Rents also come from a fluke of geography; the Suez canal. Tourism, too, sees travellers lured by pyramids not wise policy. Finally remittances are sent by Egyptian workers, often living in nearby oil-exporting countries. The history of economic development suggests that rent-ridden countries create governments with few incentives to build strong political institutions or listen to their people. In Egypt, for instance, these various rents account for about two-thirds of foreign exchange earnings. Directly or indirectly they generate at least a third of government revenues. This is not as large as other oil exporters in the region, like Libya, but substantial nonetheless. And Egypt’s state, in common with others across the Middle East, has used these rents to appease and suppress dissent, creating circumstances in which they have little need to develop competent political institutions.

Oil Not Key to Egypt Econ

Egypt facilitates oil trade, and export revenues aren't key to it's economy.

Goldstein 11 (Jacob, NPR, "How Turmoil In Egypt Could Hurt The Global Economy."January, http://www.npr.org/blogs/money/2011/01/31/133370041/how-turmoil-in-egypt-could-hurt-the-global-economy. AD 7/8/11) AV

Egypt isn't a big oil exporter. But oil flows through Egypt, which is home to the Suez Canal and the Suez-Mediterrannean Pipeline, both of which are "World Oil Transit Chokepoints" — places that are "a critical part of global energy security," according to the U.S. government. Lots of other cargo goes through the Suez Canal as well — about 8 percent of all global trade, according to Bloomberg News. Ships are still moving through the canal, but shippers are warning of possible delays, the WSJ reports. And some canal workers are leaving work early to comply with the curfew that's been imposed, Bloomberg says. If the canal were closed off entirely — which doesn't seem likely at this point, according to canal managers and shipping underwriters at Lloyd's — it would slow global trade significantly. For example, Bloomberg says, the trip from Saudi Arabia to Houston would take 12 days longer if the canal were closed and ships were forced to sail around the tip of Africa.

The tourism and canal industries are the most important sectors in Egypt's economy.

Euronews 11 ("Deserting tourists hit Egypt’s economy." February. http://www.euronews.net/2011/02/10/deserting-tourists-hit-egypt-s-economy/, AD 7/8/11) AV

For how long can the Egyptian economy keep going without tourists? The Giza pyramids have been desperately deserted for almost three weeks, since soon after the demonstrations began. Souvenir traders are feeling the pinch. “European tourists are worried about coming to countries in conflict. The tourism sector is hardest hit because of these protests or demonstrations,” said shop owner Khair Abu Arab. Tourism is a pillar of the Egyptian economy. This precious source of revenue is estimated at between five and 11 percent of the Arab country’s GDP. Analysts do not expect the losses to be recovered quickly. A month before the eruption of the massive demonstrations against Hosni Mubarak, experts predicted Egypt’s growth would be second only to Qatar in the region. Forecasts have since been revised downwards: from the 5.4 percent originally anticipated this year, analysts now foresee growth of only 1-2 percent. Lower consumption, a drop in foreign investment and rising unemployment are also expected to hurt economic performance. The value of the Egyptian economy in 2010 has been estimated at 160 billion euros, half that of the oil giant Saudi Arabia. Apart from tourism it depends on proceeds from the Suez Canal, Egyptian expatriates sending money to family at home, and foreign investment. Regardless of the troubles, the Egyptian economy is faced with enormous challenges. Two-thirds of the population are under 30, an age group that accounts for 90 percent of the country’s jobless. The official unemployment rate of 10 percent is thought to be much higher in reality. Inflation is creeping along at 10 percent; the minimum wage is 50 euros a month. Most serious is poverty: 40 percent of Egypt’s population of 85 million live on less than 1.5 euros a day. Meanwhile a small number of well-placed individuals have grown extremely rich. Encouraged by the impact of the protests against Mubarak, several thousand workers from public sector companies in the Suez Canal area went on strike calling for better working conditions. The Canal is a barometer of world trade, business along it slipped by 1.6 percent in January compared to December. Even so, the uprising is not expected to have seriously affected shipping via the canal.

\*\*\*AT – Iran Oil\*\*\*

Oil Not Key to Iran Econ

Oil is not necessary for Iran's economy - economic diversification efforts have led to successful and self-reliant markets in the non-oil sectors.

Mitchell et. al 8 (John, an Associate Research fellow at the Royal Institute for International Affairs, "Resource Depletion, Dependence and Development: Iran." November, http://www.chathamhouse.org.uk/files/13182\_1108rddd\_iran.pdf, AD 7/7/11) AV

Iran’s economy has been until recently performing quite well. Between 1989 and 2004 real per capita GDP grew at 3.3 percent which was among the fastest for lower middle income countries although the IMF pointed out that the growth process was not very efficient when the depletion of natural resources were included. Nonetheless, In 2007/08 1 real GDP grew at 6.6 percent 2 . In particular the non-oil sector was showing signs of flourishing following serious efforts by the government to diversify the economy. In 2006/7 non-oil GDP actually grew faster than oil and gas GDP at 6.2 percent, measured at constant prices, and is estimated by the IMF to grow at 7.3% in 2007/8. In 1979, non-oil exports accounted for 3 percent of the total. By 2007/8 they had reached almost 16 percent although a significant portion of this was in petrochemicals. Due to oil price increases since the end of 2003, Iran achieved a current account surplus of 10% of GDP by the end of 2007. The non-oil fiscal deficit in 2007 is estimate to have fallen to 17% (23% of non-oil GDP) of total GDP (down from 20% (27% of non-oil GDP) in 2006. • The Iranian non-oil economy clearly has potential. With a population of some 71.5 million and an active labour force of 23.5 million (but an official unemployment rate of 9.6%, and unemployment in the 16-35 age group around 22%3 ), there is a large domestic market. There also exists a relatively well educated labour force, an entrepreneurial middle class and a degree of self-reliance engendered by economic sanctions. Credit to the private sector has been growing strongly. There has also been a period of reform encouraging a transition towards a much greater role for markets and the private sector most noticeably between 2000 and 2003. For example, the tax regime for private business is very favourable with a tax rate averaging only 14.6 percent compared to an average of 31.3 percent in the Middle East generally.

No impact to oil transition - Iran's economy is immensely diverse

Iran Review 7 (http://www.iranreview.org/content/Documents/Economy.htm, AD 7/7/11) AV

After the Islamic Revolution, the economic conditions underwent a sea change. At the beginning of revolution, Iran's economy was more centralized and also on the basis of oil income and due to the occurrence of the imposed war, the entire energy of the nation was harnessed to face the war. After the war, with the election of Akbar Hashemi Rafsanjani as president, the economic adjustment polices were gradually executed in the form of five-year development plans. Some of its major measures are as follows: privatization, production diversity, increase of export of non-petroleum goods, and taking deregulation and de-monopolization of industry and services sectors. At this stage, the government made large investments in infrastructure sectors including: road construction, especially in remote places, dam construction, electrification and establishing the upstream and downstream industries in such a way that now only less than 10% of remote regions, has some difficulties in their access to water, electricity and road. In the early years of fourth development plan, Islamic Republic of Iran took different measures some of which included the following: in order to strengthen the economic power of government and preparing the grounds to attract foreign investment, Iran passed the law to protect and encourage foreign investment. On the other hand, the establishment of Foreign Exchange Reserve fund aimed to reduce the reliance of Iran's economy on oil exports and parallel with it, boos export of non-oil products which stood at nine billion dollars in 2004. Moreover, Iranian economy grew due to some other measures including the following: the increase of gross domestic products, the augmentation of government income due oil price rise, reformation of the taxation laws during the recent years, the gradual liberalization of economy and structural reforms, and modification of exports and investment laws. The said measures made suitable conditions for economic development in such a manner that the International Monetary Fund (IMF) has evaluated Iran's economy as an improving and developing economy. Regarding the government debts which is one of the major indexes in determining economic condition of a country, Iran's foreign commitments is less than 10% of the gross domestic products. In this regard, Iran has a noticeable place among the financial organizations. Moreover, the International Monetary Fund (IMF) in its last report of Iran's economy announced: The foreign exchange reserves of Iran in 2004 was 27.4 billion dollars which was three billion dollars more than that of the previous year. Besides, the IMF projected 6.6% growth for Iran's economy during the year 2003 and anticipated that Iran's petroleum and non-oil exports would be 44.2 billion dollars in 2004, while the value of imports with a little increase is predicated to stand at 45.6 billion dollars. According to the report the government's income in 2004 was 27% of the gross domestic products. 15.5% of which was resulted from oil and 11.5% of the remaining from non-oil sector. In addition, the share of oil in the government budget would decrease 8% compared to the previous year. In the field of exports, a noticeable jump has been observed in the country: the value of Iran's exports has experienced a noticeable growth both from the viewpoints of weight and value. This increase has been 77% in industry and 67% in petrochemicals.

Oil Revenue Causes Iran Adventurism

Decreased oil revenues would end Iranian aggression and proliferation - economic and democratic incentives.

Yetiv and Feld 7 (Steve, poli sci prof at Old Dominion U, and Lowell, sr oil market analyst at US EIA, “America's Oil Market Power: The Unused Weapon Against Iran." Fall, http://findarticles.com/p/articles/mi\_hb6669/is\_3\_24/ai\_n29403801/?tag=mantle\_skin;content, AD 7/7/11) AV

To begin, it is fair to say that Iran would have much more trouble funding a costly nuclear program (or major conventional military build-up) with oil prices at $20-30 per barrel than at $60-70 per barrel. In the event of one or more military confrontations with the United States or other countries in the coming years, Tehran would find it harder to rebuild its damaged nuclear facilities. Even if Iran wanted to do so, the knowledge that the United States had a serious, long-term energy policy that inexorably lowered oil demand and prices would be a disincentive to rebuilding its nuclear facilities. Iran would have to assume long-term lower oil revenues which would mean that funding the country's nuclear aspirations would require deeply unpopular cuts in domestic programs. Second, beyond the budget shock caused by sharply lower oil prices, one might expect that the mullahs would be weakened and that Iranian moderates would be strengthened. In 1997, with per capita oil revenues at just $300 per person and nearing a low point, Iranians flocked to the reform banner and overwhelmingly elected President Mohammed Khatami. In contrast, Iranians elected the arch-conservative Ahmadinejad in 2005 as Iran's oil revenues were surging. (In 1979, Ayatollah Ruhollah Khomeini also came to power during a massive boom in Iranian oil revenues.) While we cannot know what would happen if Iran's per capita oil revenues fell from $700 to $200, or even to $100 per person, we might credibly expect another political shift. Third, in this scenario, as the mullahs weakened and the moderates gained, Iran could become more flexible in its nuclear aspirations. Indeed, according to a December 2006 Program on International Policy Attitudes (PIPA) survey, 90 percent of Iranians believe that it is very important for their country to have a full-fuel cycle nuclear program; 76 percent believe that the program is most important for Iran's energy needs; and a large majority support Iran's participation in the Nuclear Nonproliferation Treaty, which prohibits Iran from developing nuclear weapons. (15) In a PIPA poll released in July 2007, 52 percent of Iranians polled believe that their country should develop nuclear weapons, but an overwhelming majority also supports a deal in which Iran would provide for full inspections and a guarantee not to develop or possess military weapons, in exchange for economic, educational, and technological benefits from the West. (16) While these results seem somewhat contradictory, in fact they raise questions about whether Iranians support a nuclear program for making nuclear weapons, as opposed to a program geared towards peaceful energy purposes. It is possible that a more moderate regime would be more likely to trade Iran's nuclear ambitions for integration into the West with its attendant economic benefits. Providing such benefits, and accompanying job prospects, would be popular at home. In the same PIPA poll, 86 percent of Iranians asserted that it was best for Iran to play an active role in world affairs, while 63 percent saw globalization and the increasing connections of Iran's economy to the world as mostly a good thing. (17) These results indicate a widespread desire among average Iranians to be part of the world community, not pariahs or part of an "axis of evil." Fourth, there is reason to believe that a sharp decline in oil prices and revenues could bolster democratic tendencies in Iran, abetting its incentives for joining the community of nations than in illegally pursuing nuclear weapons. It is no surprise that of the 11 OPEC members, seven are ranked "not free" and four--Indonesia, Kuwait, Nigeria and Venezuela--are ranked "partly free," according to New York-based political freedom watchdog Freedom House. (18)

Decreased oil revenues would curtail Iran's offensive military programs.

Yetiv and Feld 7 (Steve, poli sci prof at Old Dominion U, and Lowell, sr oil market analyst at US EIA, “America's Oil Market Power: The Unused Weapon Against Iran." Fall, http://findarticles.com/p/articles/mi\_hb6669/is\_3\_24/ai\_n29403801/?tag=mantle\_skin;content, AD 7/7/11) AV

Oil Consumption and Foreign Policy In sum, Washington is starting to think more seriously about America's energy future and that of the world. It is high time to realize that the enormous oil consumption of the U.S. economy can be a source of power for protecting and advancing U.S. and global welfare. In some cases, cutting oil consumption may well be an easier, cheaper, and more effective source of power than traditional instruments of statecraft--or at least a highly effective complement to them. This power could work not only in positively influencing the curtailing of Iran's nuclear and conventional weapons programs, but also in shifting influence from other oil-dominated nations. By recognizing and using its latent oil power, the United States could reduce its risk profile in the Middle East and elsewhere and address the threat of global warming at the same time. That's not a bad bargain. The new strategy certainly couldn't be any less effective than current U.S. energy policy, and it certainly couldn't be any more risky than current U.S. foreign policy.<CONTINUED>

No Impact - Iran

Iranian aggression are exaggerated hysteria - every conceivable adventurism scenario is empirically denied.

Amuzegar 6 (Jahangir, former finance minister and economic ambassador in Iran's government, “Nuclear Iran: perils and prospects”, 6/22, lexis, AD 7/7/11) AV

Questioning the validity of objections to a nuclear-powered Iran, however, are a large number of experts who find the threats somewhat exaggerated, if not largely based on hysteria. First, the Islamic Republic's challenge to Washington's interests and power in the region needs no bomb for leverage, as U.S. interests and influence have already been effectively threatened since 1979 through conventional means and via financial support to groups in Lebanon, Saudi Arabia, Iraq, Afghanistan and elsewhere. Second, the chances of the Islamic Republic's engaging in adventurism or naked aggression against its neighbors are far-fetched. The last time Iran started a war was back in 1850 to liberate Herat; its last invasion of another country was in 1738. In the immediate past, even when Afghan Taliban challenged the Tehran government both militarily and ideologically, the clerical leadership showed an astonishing restraint. Third, the possibility of the Iranian nuclear program spawning a Middle East arms race is indeed ominous, but that race started decades ago, and Iran was not the one to launch it. Furthermore, Israel, Pakistan and India are already nuclear powers. Iraq, Afghanistan and the Persian Gulf emirates all enjoy U.S. or NATO presence, alliance or protection and, thus, have no need of a nuclear defensive shield. No Iranian government, no matter how belligerent or stupid, would dare provoke or challenge American or NATO forces. Still further, potential candidates for the race--Egypt, Syria, Saudi Arabia and Turkey--present technical, financial, political and security problems of their own, and their foray into the nuclear bazaar is highly circumstantial. (46) Finally, Iran might hesitate to start a regional nuclear arms race because it would lose its current superiority in conventional weapons. Fourth, there is the straw-man issue of a "bold Iran" engaging in nuclear coercion through the so-called "suitcase bomb." (47) But chemical and biological weapons would be much cheaper to produce, less cumbersome to pack and carry, easier to handle and more devastating in effect. Fifth, Iran's influence in OPEC, whatever it might be, will be neither augmented nor diminished by possession of the bomb, but rather by its own oil-capacity limitations. Last, and most crucial, Washington's concern about the Islamic Republic's posture toward the Jewish state seems to be a bogus argument to neutral observers. The esteemed Israeli military historian Martin van Creveld believes that, "given the balance of forces," it cannot be argued that a nuclear Iran will threaten the United States or even Israel. (48) Since the chances of mutual annihilation loom large in any nuclear first strike, a nuclear Iran would not dare initiate such an attack. Visiting the Natanz centrifuge facility, President Ahmadinejad told the staff, "What enemies fear is not production of an atomic bomb because in today's world atomic weapons are not efficient." (49) The new president may be a political amateur, occasionally making dimwitted statements, but he is neither a fool nor a suicide bomber. Some pundits argue that a Shiite belief in martyrdom, coupled with the Iranian regime's extremist ideology, could render deterrence meaningless. (50) Such people know neither Shiite martyrdom nor the regime leaders' instinct for self-preservation, nor even the mullahs' bazaari habit of always looking for the best deal.

No impact to Iran prolif - no arms race and deterrence checks aggression.

Posen 6 (Barry, Ford International Professor of Political Science at the Massachusetts Institute of Technology, March 30, http://www.alternet.org/audits/34219/. AD 7/7/11) AV

A Middle Eastern arms race is a frightening thought, but it is improbable. If Iran acquires nuclear weapons, among its neighbors, only Israel, Egypt, Saudi Arabia and Turkey could conceivably muster the resources to follow suit. Israel is already a nuclear power. Iranian weapons might coax the Israelis to go public with their arsenal and to draw up plans for the use of such weapons in the event of an Iranian military threat. And if Israel disclosed its nuclear status, Egypt might also find it diplomatically difficult to forswear acquiring nuclear weapons. But Cairo depends on foreign assistance, which would make Egypt vulnerable to the enormous international pressure it would most likely face to refrain from joining an arms race. Saudi Arabia, meanwhile, has the money to acquire nuclear weapons and technology on the black market, but possible suppliers are few and very closely watched. To develop the domestic scientific, engineering and industrial base necessary to build a self-sustaining nuclear program would take Saudi Arabia years. In the interim, the Saudis would need nuclear security guarantees from the United States or Europe, which would in turn apply intense pressure on Riyadh not to develop its own arms. Finally, Turkey may have the resources to build a nuclear weapon, but as a member of the North Atlantic Treaty Organization, it relied on American nuclear guarantees against the mighty Soviet Union throughout the cold war. There's no obvious reason to presume that American guarantees would seem insufficient relative to Iran.

No Impact - Israel strikes

Israel won't strike Iran - no will or capability.

Pollack 6 –(Kenneth, Director of Research, Saban Center for Middle East Policy, “Council on Foreign Relations Symposium on Iran -- Session 3.” Federal News Service, 4/5, lexis, AD 7/7/11) AV

MR. POLLACK: I think the Israelis know for a fact this a very serious technical problem -- okay. They have a great deal of difficulty getting to the Iranian sites. We can get to the sites. We have the military wherewithal to blow up anything in Iran we want to and to do it repeatedly if we have the will to do so, as Reuel is suggesting. The Israelis don't. The Israelis have probably just 25, maybe as many as 33 aircraft that could actually reach most of the Iranian nuclear facilities. They would get there carrying almost entirely fuel. As a result, the bomb load they can carry is very small. They can't carry the super penetrating munitions that would give them any likelihood of actually going after some of these tunnel complexes. And as a result, the Israelis just can't do Osirak again. Even though (Reuel is right?) we now know that there are a more limited number of key facilities. It's not -- there isn't just one, there are several. And as well, the Israelis also know what I just said, which is that the Iranians can rebuild them very quickly. And the Israelis have a huge problem and it is one of the reasons why first of all, when you talk to the Israelis, they will tell you they have no problem with a diplomatic option. They think it is the best solution to it. And second, why they are making so much noise about this because I think if the Israelis really thought that they had a military option, I think you would hear a deafening silence out of Jerusalem on this one.

Impact is empirically denied - too many obstacles for a successful Iran strike.

Keiler 10 (Jonathan, attorney and former Army JAG officer, "Surprise! Why An Israeli Strike on Iran is Unlikely," June, www.americanthinker.com/2010/07/surprise\_why\_an\_israeli\_strike.html] AD 7/7/11) AV

They will understand that anything in a complex plan that can go wrong likely will. And they will also know that the one thing that saved the day at Entebbe, the element of strategic surprise, will be absent in an assault on Iran. The only surprise the Israelis can hope for in a strike against Iran is the precise date and time, and considering the complexities of getting scores of aircraft through hostile airspace before even reaching Iranian skies, they might not even have that. If the Israelis were serious about attacking Iran, the best thing they could do now is stop talking about it. Indeed, ideally, the Israelis would appear accept the position that seems to be that of the United States under President Obama -- that a nuclear Iran is inevitable and manageable. Then maybe they could lull the Iranian leadership and military into complacency and hope to regain a bit of strategic surprise. But right now, with every eye trained on Israeli skies and the world expectantly awaiting an Israeli assault, the chances of Israeli success must be dramatically reduced, a fact not lost on Netanyahu and Barak. I don't pretend to know what Israel will do, and nobody would be happier to see a successful Israeli strike on Iran than me, but logic suggests that if the Israelis haven't done it yet, they probably never will. And Benjamin Netanyahu is no more likely to launch an attack than his predecessors, for the same set of complex reasons that they were restrained.